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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 5 September 2016 ("**August Announcement**") and the announcements referred to therein. Capitalised terms used in this announcement have the same meanings as those defined in the August 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

Proposed plan for the resumption of trading

Since the date of the August 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 August 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 August 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 August 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 August Announcement:

(1) a court order was granted in relation to a civil action against five defendants including the Company, its subsidiary and Mr. Ding Hui regarding certain loans, and the defendants (except the Company) were ordered to pay compensation of approximately RMB51 million in aggregate; and

(2) a court order was granted in relation to a civil action against the Company regarding a loan which was guaranteed by the Company, and the Company was ordered to pay compensation of RMB5,000,000.

The compensation claimed against the Company in case (2) set out above is within the estimation of the Company's debts under the Reorganisation Proposal. Saved as disclosed, there has been no material development in relation to the civil actions and arbitration cases against the Group since the date of the August Announcement. As at the date of this announcement, there were 9 civil actions against the Group awaiting decisions from the relevant PRC courts.

Civil actions against Mr. Ding Hui and Mr. Ding Canyang

There has been no material development in relation to the civil actions against Mr. Ding Hui and Mr. Ding Canyang since the date of the August 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 August 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, 30 September 2016

* *For identification purposes only*

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 Lixi.