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F A R N O V A

FARNOVA GROUP HOLDINGS LIMITED

法諾集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

VOLUNTARY ANNOUNCEMENT ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Board (the “**Board**”) of Farnova Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 29 April 2021, the Company entered into a Strategic Cooperation Agreement (the “**Cooperation Agreement**”) with the People’s Government of Kundulun District, Baotou City, China (the “**People’s Government of Kundulun District**”).

Cooperation Agreement

Date: 29 April 2021

Parties: (a) the Company; and

(b) the People’s Government of Kundulun District, Baotou City, China.

Major terms of the agreement:

The Company intends to set up its headquarters in Kundulun District, Baotou City, China to build a new energy vehicle research and development and manufacturing base. The Company will build a lightweight new energy vehicle production base in Kundulun District, Baotou City using the one-time molding production process of lightweight materials. The project in which the parties plan to co-invest is proposed to commence construction in late June 2021, and is planned to be completed and put into production in 2022.

The People's Government of Baotou City and the People's Government of Kundulun District will coordinate the joint development of the new hydrogen fuel cell vehicle project between the Company and **Baotou BeiBen Heavy-Duty Truck Co., Ltd.*** (包頭北方奔馳重型汽車有限責任公司), and assist the Company in the construction of projects related to new hydrogen energy industry applications (such as hydrogen production and hydrogen refuelling stations) in Kundulun District, Baotou City. The Company will also introduce international advanced talents, technologies and products to build a new type of rare earth magnetic (rotorless) motor production base with **China Northern Rare Earth (Group) High-Tech Co., Ltd.*** (中國北方稀土(集團)高科技股份有限公司) under the coordination of the People's Government of Baotou City and the People's Government of Kundulun District. Besides, the Company will also develop an off-highway mining truck manufacturing project in Kundulun District, Baotou City.

The People's Government of Kundulun District will provide the Company with sufficient policy support when the above project is implemented in accordance with the relevant policies of the Inner Mongolia Autonomous Region and Baotou City, including providing land incentives and tax incentives, coordinating the equity participation of enterprises related to the Baotou Municipal Government, giving preferential subsidies for the introduction of talents, and providing relevant incentives for the settlement of listed companies.

The Cooperation Agreement is legally binding, but the cooperation details and specific terms and conditions are subject to the further negotiations between both parties and the signing of the definitive and formal agreement. The terms and conditions of cooperation contemplated under the Cooperation Agreement are subject to the terms of any definitive agreements which the Company and the People's Government of Kundulun District may subsequently enter into from time to time. As at the date of this announcement, the Company and the People's Government of Kundulun District have not entered into any formal agreements in relation to any specific cooperation projects. If any transaction contemplated under the Cooperation Agreement constitutes a notifiable transaction for the Company under the GEM Listing Rules, further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

By Order of the Board
Farnova Group Holdings Limited
Guo Gelin
Chairman

Hong Kong, 30 April 2021

As of the date of this announcement, the executive Directors are Mr. Guo Gelin, Mr. Mou Zhongwei and Mr. Deng Li; the non-executive Directors are Mr. Wang Qiang, Mr. Kuang Quanzhuang, Mr. Li Guangying and Ms. Wang Hanjing; and the independent non-executive Directors are Mr. Lee Chi Hwa Joshua, Mr. Luo Ji, Ms. Wu Hong and Mr. Li Jianxing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website <http://www.hkgem.com> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://farnov.ocoplus.com>.

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