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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)

BUSINESS UPDATE

COOPERATION FRAMEWORK AGREEMENT IN RELATION TO THE FORMATION OF A JOINT VENTURE

This announcement is made by Farnova Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders and potential investors of the Company updates on the latest business development of the Group.

COOPERATION FRAMEWORK AGREEMENT

The board of directors (the “**Board**”) is pleased to announce that, on 9 December 2021, the Company has entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with Corun Chs Technology Co., Ltd. (“**Corun**”), pursuant to which the parties intend to jointly form a joint venture which shall focus on research and development, design and production-manufacturing of energy-saving and new energy vehicles, to forge an industry benchmark and improve corporate competitiveness in the market.

The Cooperation Framework Agreement only sets out the preliminary cooperation framework of the parties thereto, and the terms of cooperation contemplated thereunder are subject to formal agreement(s) and/or arrangement(s) to be entered into by the parties.

INFORMATION ABOUT CORUN

Corun is a research and development company of hybrid and transmission system integration technology, mainly producing hybrid and transmission system integration and supporting products. It provides integration systems for new energy vehicles such as deep hybrid vehicles, plug-in hybrid vehicles, commercial vehicles, etc. Corun is committed to building an ecological system for the hybrid vehicle industry chain and becoming an operating service provider for the end-to-end ecological system platform for automobiles.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Corun and its respective ultimate beneficial owners are parties independent of and not connected with the Company and its connected persons.

REASONS AND BENEFITS FOR ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

The Group is principally engaged in the sales of new energy electric vehicles and advertising business. As disclosed in the interim report of the Company for the six months ended 30 September 2021, the Group would continue to devote significant effort to expedite the development of its new energy electric vehicle business so as to capture the potential growth. Leveraging on the merit and experience of Corun in the field of research and development of hybrid power technology, the Board considers that entering into the Cooperation Framework Agreement represents a good opportunity to promote the business development of the Group and is in line with its development strategy. Upon the execution of a formal agreement, the Group will, based on the automobile consumption market in China, fully take advantage of the national policy of Belt and Road Initiative to actively expand into markets in South America, Southeast Asia, etc., thus potentially enhancing the profit of the Group and returns to the Shareholders.

GENERAL

The Board wishes to emphasise that the cooperation contemplated under the Cooperation Framework Agreement may or may not proceed and that as at the date of this announcement, the parties have not entered into any legally binding and formal agreement(s) in relation to the transactions contemplated under the Cooperation Framework Agreement. Further announcement(s) will be made by the Company as and when appropriate in compliance with the relevant Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 9 December 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 Mr. Wang Hanjing; and the independent non-executive Directors are Mr. Luo Ji, Ms. Wu Hong, Mr. Li Jianxing and Dr. Wu Bin.

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 www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published and remains on the website of the Company at <http://farnov.ocoplus.com>.