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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

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

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.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board of directors (the “**Board**”) is pleased to announce that on 21 July 2022, the Company and Yinchuan Hexin Technology Co., Ltd. (銀川市核芯科技有限公司) (“**Hexin Technology**”) have entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”). The two parties intend to form a strategic partnership to jointly invest resources in the development of new energy batteries. In combination with the Group’s automotive business needs, Hexin Technology can work in accordance with production lines, provide professional technical teams, and invest in research and development, and tailor unique products and technologies to the Group’s new energy vehicle models. The Group expects to procure the relevant batteries from Hexin Technology in the next three years.

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

HEXIN TECHNOLOGY

Hexin Technology is qualified for the production, processing and distribution of power batteries for new energy vehicles, and can become an industrial chain support for the Group's automobile business. Hexin Technology also owns the mineral resources as well as a R&D and manufacturing industry chain of battery materials.

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

GENERAL

The Board wishes to emphasise that the cooperation contemplated under the Strategic 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 agreement(s) in relation to the transactions contemplated under the Strategic 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, 21 July 2022

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. Kuang Quanzhuang, Mr. Li Guangying and Mr. Wang Hanjing; and the independent non-executive Directors are 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>.