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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

(Formerly known as Code Agriculture (Holdings) Limited 科地農業控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 8153)

VOLUNTARY ANNOUNCEMENT ENTERING INTO THE STRATEGIC COOPERATION MEMORANDUM

The board of directors (the “**Board**”) of Farnova Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 20 August 2020, the Company entered into a strategic cooperation memorandum (the “**Memorandum**”) with China Ding Yi Feng Holdings Limited (“**Ding Yi Feng**”), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board maintained and operated by The Stock Exchange of Hong Kong Limited (stock code: 00612), pursuant to which both parties agreed to explore possible cooperation and investment opportunities for the Company’s potential projects in new energy vehicle industry; energy industry and rare earth mining industry. Subject to the terms and conditions of the Memorandum, Ding Yi Feng would subscribe for the shares of the Company.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, Ding Yi Feng holds 200,000,000 ordinary shares in the share capital of the Company (“**Shares**”), representing approximately 3.81% of the issued share capital of the Company and convertible bonds of the Company in principle amount of HK\$15,000,000 and is an independent third party not connected with the Company and its connected persons.

THE MEMORANDUM

Pursuant to the Memorandum, the parties to the Memorandum shall use their best efforts and good faith to facilitate the negotiation of the project and reach a legally binding formal agreement (“**Formal Agreement**”) within 180 days after the signing date of the Memorandum (or other date to be agreed by the parties to the Memorandum in writing) (“**Validity Period**”) to implement the project. Ding Yi Feng shall not directly or indirectly negotiate or agree with any other party relating to the other business cooperation within the Validity Period.

INVESTMENT AMOUNT

The investment amount, payment terms, payment method and various details of the cooperation matters shall be confirmed upon entering into a Formal Agreement.

DUE DILIGENCE

Ding Yi Feng has right to appoint its designated professional parties, including but not limited to legal adviser, accountant, valuer and financial adviser to conduct a due diligence (“**Due Diligence**”) review on accounts, business, assets, liabilities of the Company. The Company shall use its best efforts to assist in Due Diligence, including but not limited to providing information and materials, and arranging inspections reasonably required by the Ding Yi Feng and the professional parties designated by the Ding Yi Feng.

TERMINATION

The Memorandum shall be terminated upon (i) expiry of the Validity Period; or (ii) execution of the Formal Agreement; or (iii) both parties to the Memorandum agree in writing to terminate this Memorandum, whichever is earlier. The Memorandum does not create legally binding obligations on the parties but is legally binding as to confidentiality and governing law.

As at the date of this announcement, the Company and Ding Yi Feng have not entered into any agreements (whether or not legally binding) in relation to any specific cooperation projects or investment. If any transaction contemplated under the Memorandum constitutes a notifiable transaction or fund raising activity of 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, 20 August 2020

As of the date of this announcement, the executive directors are Mr. Guo Gelin, Mr. Chow Chi Wah Vincent, Mr. Hu Chao and Mr. Mou Zhongwei; the non-executive director of the Company is Mr. Wang Qiang; and the independent non-executive directors of the Company are Mr. Lee Chi Hwa Joshua, Mr. Wong Ching Keung, Dr. Antonio Maria Santos and Mr. Luo Ji.

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://www.farnovagp-hk.com>.