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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)

SUPPLEMENTAL ANNOUNCEMENT ENTERING INTO THE SUPPLEMENTAL AGREEMENT TO THE ACCESS AGREEMENT ON NEW ENERGY HEAVY DUTY TRUCK INDUSTRIAL CHAIN BASE PROJECT

Reference is made to the voluntary announcement of the Company dated 30 July 2020 and the supplemental announcement dated 31 July 2020 (the “**Voluntary Announcements**”). Capitalised terms used herein shall have the same meanings as those capitalised terms used in the Voluntary Announcements unless the context requires otherwise. The Board is pleased to announce that on 4 September 2020, the Company has entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Management Committee in relation to new energy vehicle and the Project. Pursuant to the Supplemental Agreement, the Company and the Development Zone (the “**Parties**”) have agreed to the additional terms including but not limited to (i) subsidy of purchasing of equipment; (ii) land investment bonus; (iii) taxation refund; and (iv) fund support. Regarding the fund support, subject to the terms of further agreement to be entered into by the parties, the Management Committee will arrange a designated institution to subsidise RMB200 million to the Project Company based on a normal market principle and normal settlement method.

On 21 August 2020, the Company has established Farnova Automobile (Changde) Manufacturing Limited* (法諾汽車(常德)製造有限公司) and Qilun Permanent Magnet and Electric Motor (Changde) Manufacturing Limited* (奇輪永磁電動電機(常德)製造有限公司) in the Development Zone heralding the global expansion of the Company's business. The Board is of view that the Changde Municipal People's Government has provided comprehensive support and helped the Company to obtain a RMB200 million government subsidy for its new energy vehicle business (subject to the terms of further agreement to be entered into by the Parties), facilitating the Company's move into the new energy industry. If any transaction contemplated under the Access Agreement and the Supplemental Agreement constitute 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, 4 September 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 is Mr. Wang Qiang; and the independent non-executive Directors 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>.

* For identification purpose only