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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)

TERMINATION OF ACQUISITION OF 55% EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcements (the “**Announcements**”) of the Farnova Group Holdings Limited (the “**Company**”) dated 5 December 2019 and 29 May 2020 in relation to the proposed acquisition of 55% equity interest in Shenzhen Fa Nuo Xin Neng Yuan Qi Che Holdings Company Limited* (深圳法諾新能源汽車控股有限公司) (the “**Acquisition**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements, unless the context requires otherwise.

DEED OF TERMINATION

The Board announces that, on 24 September 2020 (after trading hours), the Company, the Vendor, the Target Company and SZHGT entered into a deed of termination (the “**Deed of Termination**”), pursuant to which the parties mutually agreed to terminate the Agreement with effect from the date of the Deed of Termination, and to release and discharge each other from its respective obligations and liabilities under the Agreement (as amended by the Supplemental Agreement). Neither party shall have any claim against the other in connection with the Agreement (as amended by the Supplemental Agreement).

REASONS FOR TERMINATION

As disclosed in the Announcements, the Directors considered that the Acquisition represented an attractive investment opportunity of the Group to tap into green energy automobile business in the PRC (the “**New Energy Business**”) as the Target Company is principally engaged in manufacturing and trading of new energy automobiles. While

the Group was pursuing the Acquisition, it has established two project companies namely Farnova Automobile (Changde) Manufacturing Limited* (“**Farnova Automobile**”, 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 Changde Economic and Technological Development Zone* (常德經濟技術開發區) from July 2020 with a view to kicking start the New Energy Business. In September 2020, one of the project companies, Farnova Automobile, also entered into a cooperation agreement with Changde Branch of China Minsheng Banking Corporation Limited* (“**CMBC**”, 中國民生銀行股份有限公司常德分行) for obtaining the credit facilities up to RMB1.0 billion subject to relevant conditions. Details of the above are set out in the announcements of the Company dated 30 July 2020, 31 July 2020, 4 September 2020 and 9 September 2020.

In light of the Group’s recent development on the New Energy Business and the timeline leading to completion of the Acquisition being uncertain, the Directors consider that it is in the interest of the Company and the Shareholders as a whole to terminate the Acquisition and deploy its resources to the latest development of the New Energy Business.

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

Hong Kong, 24 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