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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)

SUPPLEMENTAL ANNOUNCEMENT

PLACING OF NEW SHARES UNDER GENERAL MANDATE PLACING

Reference is made to the announcement dated 11 January 2022 (the “**Announcement**”) of Farnova Group Holdings Limited. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Company would like to provide the following additional information relating to the Announcement:

USE OF PROCEEDS

The net proceeds of approximately HK\$83 million from the Placing will be used for the followings:

Intended use	Intended amount	Intended timing	Details
Repayment of debts	approximately 44 million	On or before February 2022	<p>The amounts represent the debt principals borrowed from individuals independent from the Group and relevant interests rolled over, with interest rates ranging from 6% to 30% per annum.</p> <p>The debts are unsecured with terms ranging from 12 months to 24 months, and without any option for extension. As at the date of this announcement, the debts were either overdue or due within 12 months.</p>

Intended use	Intended amount	Intended timing	Details
Expansion of the Group's business	approximately 30 million	On or before June 2022	<p>For the Group's advertising business: (i) approximately HK\$3.4 million will be used to settle the first transfer price and the second transfer price for the acquisition of 51% of the entire equity interest in Beijing Creative Communication International Culture Media Co., Ltd as disclosed in the Company's announcement dated 24 December 2021 and (ii) approximately HK\$6.6 million will be used as working capital for the advertising business.</p> <p>For the Group's new energy vehicles business: (i) approximately HK\$8.5 million will be used to settle the whole consideration for the acquisition of 7% of the entire equity interest in Guangxi Huao Automobile Manufacturing Co. Ltd as disclosed in the Company's announcement dated 7 December 2021; and (ii) approximately 11.5 million will be used for design of new energy electric vehicles especially electric bus, electric trucks and electric pickup trucks; and development of relevant prototype vehicles.</p>
General working capital	approximately 9 million	For the next 12 months	The amounts will be used for settlement of professional fees, office rental, salaries and other administrative expenses.

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

Hong Kong, 17 January 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. 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 <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>