
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Farnova Group Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR (1) GRANTING OF
THE GENERAL MANDATE AND REPURCHASE MANDATE TO
ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Farnova Group Holdings Limited (the “**Company**”) to be held at Conference Room, Room 815–818, 8/F, China Insurance Group Building, No. 141 Des Voeux Road, Central, Hong Kong on 16 September 2022 at 4:00 p.m. is set out on pages 18 to 22 of this circular.

A form of proxy for use at the annual general meeting is enclosed with this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. The completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page and the Company’s website at <https://farnov.ocoplus.com/> for at least 7 days from the date of its posting.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (1) Compulsory temperature screening/checks
- (2) Wearing of surgical face mask
- (3) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) and (2) above may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law. For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their proxy forms by the time specified above, instead of attending the AGM in person.

22 August 2022

CHARACTERISTICS OF GEM

Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held on 16 September 2022 at 4:00 p.m. at Conference Room, Room 815–818, 8/F, China Insurance Group Building, No. 141 Des Voeux Road, Central, Hong Kong to consider and, if appropriate, to approve the resolutions contained in the AGM Notice, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 18 to 22 of this circular
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bye-laws(s)”	the bye-laws of the Company (as amended from time to time)
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Farnova Group Holdings Limited 法諾集團控股有限公司, a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on GEM (stock code: 8153)
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	any person who is a director (including non-executive director and independent non-executive director) of the Company
“Extension Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate

DEFINITIONS

“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue or otherwise deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of granting of the General Mandate
“Group”	the Company and all of its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 August 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting of the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0004 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Guo Gelin (*Chairman*)
Mr. Mou Zhongwei
Mr. Deng Li

Non-executive Directors:

Mr. Kuang Quanzhuang
Mr. Li Guangying
Mr. Wang Hanjing

Independent non-executive Directors:

Mr. Luo Ji
Ms. Wu Hong
Mr. Li Jianxing

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Room 8212, Unit 01, 82/F
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

22 August 2022

To the Shareholders,

Dear Sir/Madam,

**PROPOSALS FOR (1) GRANTING OF
THE GENERAL MANDATE AND REPURCHASE MANDATE TO
ISSUE NEW SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the following proposals to be put forward at the AGM for your consideration and if thought fit, the approval of (i) the General Mandate and Repurchase Mandate; (ii) the proposed re-election of retiring Directors; and (iii) to give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution no. 5 will be proposed to grant a general mandate to the Directors to allot, issue and deal with unissued Shares or underlying Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Bye-laws) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the issued Shares as at the date of granting of the General Mandate.

In addition, a separate ordinary resolution no. 7 will further be proposed to grant the Directors a general mandate to add to the General Mandate any Shares repurchased pursuant to the Repurchase Mandate. Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 8,491,423,920 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the General Mandate at the AGM and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date to the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 1,698,284,784 Shares during the period in which the General Mandate remains in force.

REPURCHASE MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution no. 6 will also be proposed to grant the Directors an repurchase mandate to repurchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the issued Shares as at the date of granting of the Repurchase Mandate.

As at the Latest Practicable Date, the Company has an aggregate of 8,491,423,920 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 849,142,392 Shares during the period in which the Repurchase Mandate remains in force.

Each of the General Mandate (including the Extension Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the ordinary resolutions for the approval of the General Mandate (including the Extension Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company following the AGM; (ii) the expiration of the period within which the next annual general meeting of the

LETTER FROM THE BOARD

Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; or (iii) the revocation or variation of the General Mandate (including the Extension Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular.

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87(1), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. Pursuant to Bye-laws 87(2), a retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Notwithstanding Bye-laws 87(1) and 87(2), all Directors agree to retire from office at the AGM and being eligible, offer themselves for re-election at the AGM.

At the AGM, an ordinary resolution no. 2 will be proposed to re-elect Mr. Guo Gelin, Mr. Mou Zhongwei and Mr. Deng Li as executive Director; Mr. Kuang Quanzhuang, Mr. Li Guangying and Mr. Wang Hanjing as non-executive Directors; and Mr. Luo Ji, Ms. Wu Hong and Mr. Li Jianxing as independent non-executive Directors.

Details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at Conference Room, Room 815–818, 8/F, China Insurance Group Building, No. 141 Des Voeux Road, Central, Hong Kong on 16 September 2022 at 4:00 p.m. is set out on pages 18 to 22 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the proposed General Mandate (including the Extension Mandate) and Repurchase Mandate and the proposed re-election of Directors.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the poll in the manner prescribed by the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Board believes that the proposed General Mandate (including the Extension Mandate) and Repurchase Mandate and the proposed re-election of Directors as set out in the Notice of AGM are all in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Yours faithfully

For and on behalf of the Board of
FARNOVA GROUP HOLDINGS LIMITED

Guo Gelin

Chairman

This Appendix serves as an explanatory statement, as required under 13.08 of the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSONS

The GEM Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. MAXIMUM NUMBER OF SHARES TO BE REPURCHASED

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,491,423,920 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 849,142,392 fully paid Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with Bermuda law and the memorandum of association of the Company and the Bye-laws.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 March 2022, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2021		
August	0.108	0.059
September	0.089	0.066
October	0.083	0.070
November	0.080	0.068
December	0.084	0.062
2022		
January	0.065	0.051
February	0.081	0.053
March	0.080	0.059
April	0.062	0.035
May	0.045	0.010
June	0.028	0.016
July	0.020	0.014
August (up to the Latest Practicable Date)	0.016	0.014

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of Bermuda.

7. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

To the best knowledge of the Directors, as at the Latest Practicable Date, as defined in the GEM Listing Rules, the Company has no substantial Shareholder. An exercise of the Repurchase Mandate in full will not result in any of the Shareholders becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed, the Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of any of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

The details of the Directors proposed to be re-elected and appointed (as the case may be) are set out as follows:

Executive Directors

Mr. Guo Gelin, aged 61, has been appointed as an Executive Director and the chairman on 27 February 2020. Mr. Guo has over 30 years of management experience and 20 years of manufacturing and global sales experience in information technology industry. Mr. Guo is the founder and director of Shenzhen Fa Nuo Yacht Company Ltd. Since 2009 which has become a well-known catamaran-powered sailing ship manufacturing company in global. In 2017, Mr. Guo lead the European team into new energy vehicle industry.

The Company has entered into a service contract as an executive director with Mr. Guo in respect of his appointment for a term of two year commencing on date of appointment and could be terminated by either party giving one-month prior notice. Mr. Guo is entitled to a remuneration of HK\$30,000 per month which will be subject to review by the Board based on the recommendation from the remuneration committee of the Company with reference to his qualification, duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. He shall be subject to retirement by rotation and reelection at the annual general meeting of the Company in accordance with the bye-laws of the Company.

As at the Latest Practicable Date, Mr. Guo holds 428,065,752 shares in the capital of the Company, representing approximately 5.04% of the issued share of the Company. Save as disclosed, Mr. Guo does not, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Guo did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Guo did not hold any other position in the Group; (iii) Mr. Guo did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Mou Zhongwei, aged 65, was appointed as an executive director of the Company on 19 August 2020. Mr. Mou is currently the chairman of Hainan Xinshanghe Investment Holdings Co., Ltd., Hainan Shanghe Chaodian New Energy Technology Co., Ltd. and Hainan Shanghe Aviation Intelligent Technology Co., Ltd. Mr. Mou has many years of experience in the new technology industry and accumulated extensive knowledge in the related business.

The Company has entered into a service contract as an executive director with Mr. Mou in respect of his appointment for a term of two year commencing on date of appointment and could be terminated by either party giving one-month prior notice. Mr. Mou is entitled to a remuneration of HK\$20,000 per month which will be subject to review by the Board based on the recommendation from the remuneration committee of the Company with reference to his qualification, duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. He shall be subject to retirement by rotation and reelection at the annual general meeting of the Company in accordance with the bye-laws of the Company.

As at the Latest Practicable Date, Mr. Mou holds 15,000,000 shares in the capital of the Company, representing approximately 0.18% of the issued share capital of the Company.

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Mou does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Mou does not hold any other position in the Group; (iii) Mr. Mou does not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there are no other matters concerning him that need to be brought to the attention of the Shareholders nor is there any information relating to him that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Deng Li, aged 63, is currently honorary president of the New Zealand China Friendship Society, honorary president of the New Zealand Deng Li Fund, chairman of the board of Rainbow China Culture and Media Group of New Zealand, and was a recipient of the New Zealand Order of Merit. Mr. Deng was vice president of the Shenzhen General Chamber of Commerce from 2011 to 2012. Mr. Deng is not only passionate about cultural and art exchange, but also values the transmission and education of Chinese culture.

The Company has entered into a service contract with Mr. Deng in respect of his appointment as executive Director for a term of two years from the date of appointment, which may be terminated by either party giving to the other party one month's prior notice. Mr. Deng is entitled to a monthly salary of HK\$20,000, which is subject to review by the Board based on the advice of the remuneration committee of the Company with reference to his qualifications, his duties and

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

responsibility with the Company, the performance of the Company and prevailing market conditions. He shall retire by rotation in accordance with the Company's articles of association at the Company's annual general meeting and shall be eligible for re-election.

As at the Latest Practicable Date, Mr. Deng did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Deng did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Deng did not hold any other position in the Group; (iii) Mr. Deng did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Non-Executive Directors

Mr. Kuang Quanzhuang, aged 39, was head of design of Shenzhen Comtech Electronics Co., Ltd. where he engaged in product development and mould design and was responsible for managing factory workshop production and development project execution and has many years of experience in production and design of moulds. Since 2009, Mr. Kuang has been serving as manager of the production department and chief engineer of Shenzhen Daqing Yacht Limited. Since the company developed its fibreglass sedan business in 2015, Mr. Kuang has been mainly responsible for body mould design, engineering structure integration, mass production and external coordination.

The Company has entered into a service contract with Mr. Kuang in respect of his appointment as non-executive Director for a term of two years from the date of appointment, which may be terminated by either party giving to the other party one month's prior notice. Mr. Kuang is entitled to a monthly salary of HK\$10,000, which is subject to review by the Board based on the advice of the remuneration committee of the Company with reference to his qualifications, his duties and responsibility with the Company, the performance of the Company and prevailing market conditions. He shall retire by rotation in accordance with the Company's articles of association at the Company's annual general meeting and shall be eligible for re-election.

As at the Latest Practicable Date, Mr. Kuang did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Kuang did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Kuang did not hold any other position in the Group; (iii) Mr. Kuang did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Li Guangying, aged 52, has been a founder and director of Shandong Wenshao Pension Industry Investment Company Limited since 2014. Mr. Li focus on investment in technology industries for more than ten years, with investment footprints covering the internet, new energy, bio-health and other fields and gaining rich experience.

The Company has entered into a service contract with Mr. Li in respect of his appointment as non-executive Director for a term of two years from the date of appointment, which may be terminated by either party giving to the other party one month's prior notice. Mr. Li is entitled to a monthly salary of HK\$10,000, which is subject to review by the Board based on the advice of the remuneration committee of the Company with reference to his qualifications, his duties and responsibility with the Company, the performance of the Company and prevailing market conditions. He shall retire by rotation in accordance with the Company's articles of association at the Company's annual general meeting and shall be eligible for re-election.

As at the Latest Practicable Date, Mr. Kuang did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Li did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Li did not hold any other position in the Group; (iii) Mr. Li did not have any relationship with other directors, senior management,

substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Wang Hanjing, aged 39, is well experienced in accounting and financial management. Mr. Wang had been the financial director in Shenzhen Zhonggang Chuangfu Investment Development Company Limited from April 2020 to January 2021.

The Company has entered into a service contract with Mr. Wang in respect of his appointment as non-executive Director for a term of two years from the date of appointment, which may be terminated by either party giving to the other party one month's prior notice. Mr. Wang is entitled to a monthly salary of HK\$10,000, which is subject to review by the Board based on the advice of the remuneration committee of the Company with reference to his qualifications, his duties and responsibility with the Company, the performance of the Company and prevailing market conditions. He shall retire by rotation in accordance with the Company's articles of association at the Company's annual general meeting and shall be eligible for re-election.

As at the Latest Practicable Date, Mr. Wang was interested in 74,055,000 Shares, representing approximately 0.87% of the total number of issued shares of the Company. Save as disclosed above, Mr. Wang did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Wang did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Wang did not hold any other position in the Group; (iii) Mr. Wang did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Independent Non-Executive Directors

Ms. Wu Hong, aged 54, received her Master of Business Administration from China Europe International Business School in 2009. Ms. Wu is currently working with Shenzhen Lihe Family Office Consulting Company Limited as general manager. Ms. Wu has many years of experience in the financial industry, who is familiar with the business operation of the financial industry. Ms. Wu is also good at refining and summarising complex information.

Ms. Wu has entered into a service contract as an independent non-executive Director with the Company for a fixed term of three years and could be terminated by either party giving one-month prior notice. She is entitled to a director fee of HKD10,000 per month which will be subject to review by the Board based on the recommendation from the remuneration committee of the Company with reference to her qualification, duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. She will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

As at the Latest Practicable Date, Ms. Wu did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Ms. Wu did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Ms. Wu did not hold any other position in the Group; (iii) Ms. Wu did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning her that need to be brought to the attention of the Shareholders nor was there any information relating to her that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Li Jianxing, aged 64, graduated from Shanghai Maritime University with a Bachelor Degree in accounting. He also received a Master Degree in Business Administration from The Canisius College of Buffalo. Mr. Li has over 30-year experience working in the field of accounting and corporate finance and has substantial experience in management in various listed companies, investment business, investor relations and project management. He was the senior manager of both the investment department and finance department of China Everbright Holdings Company Limited from April 1998 to June 2000. From April 2003 to May 2004, he was a General Manager of Investor Relations in China Resources Power Holdings. Mr. Li is currently served as an independent non-executive director of Sinofortune Finance Holdings Limited (Stock Code: 8123), which is listed on the Stock Exchange.

Mr. Li has entered into a service contract as an independent non-executive Director with the Company for a fixed term of three years and could be terminated by either party giving one-month prior notice. He is entitled to a director fee of HKD20,000 per month which will be subject to review by the Board based on the recommendation from the remuneration committee of the Company with reference to his qualification, duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. He will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

As at the Latest Practicable Date, Mr. Li did not, and was not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Li did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Li did not hold any other position in the Group; (iii) Mr. Li did not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there were no other matters concerning him that need to be brought to the attention of the Shareholders nor was there any information relating to him that was required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Luo Ji, aged 39, was appointed as an independent non-executive director on 19 August 2020. Mr. Luo is currently a general manager of Shenzhen Tianxia Huaqing Investment Technology Company Limited since 2018.

Mr. Luo has not entered into any service contract with the Company and has no fixed term of service with the Company. He is entitled to a director fee of HK\$10,000 per month which will be subject to review by the Board based on the recommendation from the remuneration committee of the Company with reference to his qualification, duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. He will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

As at the Latest Practicable Date, Mr. Luo does not, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date and save as disclosed above, (i) Mr. Luo does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Luo does not hold any other position in the Group; (iii) Mr. Luo does not have any relationship with other directors, senior management, substantial or controlling shareholders; and (iv) there are no other matters concerning him that need to be brought to the attention of the Shareholders nor is there any information relating to him that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Farnova Group Holdings Limited 法諾集團控股有限公司 (the “**Company**”) will be held at Conference Room, Room 815–818, 8/F, China Insurance Group Building, No. 141 Des Voeux Road, Central, Hong Kong on 16 September 2022 at 4:00 p.m. for the following purposes:

AS ORDINARY RESOLUTIONS:

1. To consider, receive and adopt the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2022;
2.
 - (a) To re-elect Mr. Guo Gelin as an executive Director;
 - (b) To re-elect Mr. Mou Zhongwei as an executive Director;
 - (c) To re-elect Mr. Deng Li as an executive Director;
 - (d) To re-elect Mr. Kuang Quanzhuang as a non-executive Director;
 - (e) To re-elect Mr. Li Guangying as a non-executive Director;
 - (f) To re-elect Mr. Wang Hanjing as a non-executive Director;
 - (g) To re-elect Ms. Wu Hong as an independent non-executive Director;
 - (h) To re-elect Mr. Li Jianxing as an independent non-executive Director; and
 - (i) To re-elect Mr. Luo Ji as an independent non-executive Director.

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3. To authorise the board of directors of the Company (the “**Directors**”) to fix the respective Directors’ remuneration;
4. To re-appoint Mazars CPA Limited as the auditor of the Company;
5. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for the unissued shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph 5(a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph 5(a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (the “**Bye-laws**”) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

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(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph 5(a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) (the “**Companies Act**”) or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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6. **“THAT:**
- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the shares on the Stock Exchange or any other stock exchange on which the shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph 6(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph 6(a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
7. **“THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 5 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully
For and on behalf of the Board of
FARNOVA GROUP HOLDINGS LIMITED
Guo Gelin
Chairman

Hong Kong, 22 August 2022

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Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place

of business in Hong Kong:
Room 8212, Unit 01, 82/F
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the GEM Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
4. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.
5. Any voting at the annual general meeting shall be taken by poll.
6. The register of members of the Company will be closed from Tuesday, 13 September 2022 to Friday, 16 September 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfers accompanied by the relevant share certificate must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 September 2022 for such purpose.
7. As at the date hereof, 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.