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Narnia (Hong Kong) Group Company Limited

納尼亞(香港)集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8607)

INSIDE INFORMATION

**(1) DELAY IN PUBLICATION OF 2023 ANNUAL RESULTS;
(2) POSTPONEMENT OF BOARD MEETING;
AND
(3) POSSIBLE SUSPENSION OF TRADING**

This announcement is made by Narnia (Hong Kong) Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED
31 DECEMBER 2023**

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that Moore CPA Limited, the auditors of the Company (the “**Auditor**”), in its letter to the Board and the audit committee of the Board (the “**Audit Committee**”) dated 25 March 2024, has outlined, among other things, key unresolved audit matters regarding the following issues:

Prepayment to Company A (the “Supplier”)

The prepayment due from the Supplier amounted to approximately RMB31.9 million as at 31 December 2023, despite the fact that the Group had ceased procurement from the Supplier since August 2023. The management of the Group confirmed that the Group received all the prepayment of approximately RMB31.9 million from the Supplier on or before 21 March 2024 and provided the Auditor with relevant supporting bank documents demonstrating that the payments were directly paid from the Supplier.

* For identification purposes only

Disposal of entire equity interest in Changxing Binli Industrial Co., Ltd.* (長興濱里實業有限公司) (the “Target Company”) (the “Disposal”)

The Auditor could not verify the explanations provided by the management of the Group in relation to the non-settlement of accounts payable of approximately 26.0 million (the **“Payable”**) due from subsidiaries of the Company to Target Company before the Disposal in June 2023. The Auditor also questioned why the Group chose not to set off a portion of the Payable against the consideration of the Disposal, particularly considering that the purchaser of the Disposal only paid approximately 19.3 million to the Group by the end of 2023, representing approximately 51.1% of the total consideration.

Loan of RMB10 million to the Supplier

In December 2023, Huzhou Narnia Industry Co., Ltd.* (湖州納尼亞實業有限公司) (**“Huzhou Narnia”**), an indirect wholly-owned subsidiary of the Company, and the Supplier entered into a loan agreement, pursuant to which Huzhou Narnia provided an interest-bearing loan of RMB10.0 million with a maturity of 6 months (the **“Loan”**) to the Supplier. The management of the Group confirmed that the Group received the repayment of RMB10.0 million from the Supplier on or before 21 March 2024 and provided the Auditor with relevant supporting bank documents demonstrating that the repayment was directly paid from the Supplier.

Bank Transfer from the Company to Spring Sea Star Investment Limited (“Spring Sea Star”)

In December 2023, the Company made multiple transfers totalling approximately USD 2.8 million (equivalent to approximately RMB20.0 million) to Spring Sea Star, which is a controlling Shareholder and is owned as to approximately 53.98% by Mr. Dai Shunhua (**“Mr. Dai”**) and approximately 46.02% by Ms. Song Xiaoying (**“Ms. Song”**). Both Mr. Dai and Ms. Song are executive Directors of the Company. The management of the Group confirmed that the Group received the repayment of approximately RMB20.0 million from Spring Sea Star on or before 21 March 2024 and provided the Auditor with relevant supporting bank documents demonstrating that the repayment was directly paid from Spring Sea Star.

As of the date of this announcement, the Company is still in the process of providing certain information and documents in relation the above issues to the Auditor for them to complete the required audit procedures. The Auditor also suggested that the Audit Committee set up an independent investigation committee to investigate the above issues and the internal control system of the Company.

The Board also wishes to inform the Shareholders that as additional time is required to complete the audit works of the Group on the annual results for the year ended 31 December 2023 (the **“2023 Annual Results”**), it is expected that the Company will not be able to publish the 2023 Annual Results to the Shareholders on or before 31 March 2024.

Delay in publication of the 2023 Audited Annual Results will constitute non-compliance of Rules 18.49 of the GEM Listing Rules. The Company wishes to emphasise that the operations of the Group remain normal. The Company will publish further announcement(s) in due course to inform the Shareholders of (i) the date of the meeting of the Board to consider and approve the 2023 Annual Results; (ii) the date of the release of the 2023 Annual Results; and (iii) any material development. Save as disclosed above, the Company does not have any other unpublished inside information.

POSTPONEMENT OF BOARD MEETING

As disclosed in the announcement of the Company dated 15 March 2024, the meeting of the Board (the “**Board Meeting**”) was originally determined to be held on 27 March 2024 for the purposes of, among other things, considering and approving 2023 Annual Results, considering the payment of final dividend, if applicable. Due to the aforesaid delay in the publication of the 2023 Annual Results, the Board Meeting will be postponed. The Company will publish an updated date of the Board Meeting as and when appropriate.

POSSIBLE SUSPENSION OF TRADING

Pursuant to Rule 17.49A of the GEM Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer’s securities if an issuer does not publish its financial information in accordance with the GEM Listing Rules. The suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. In the event that the Company is unable to publish the 2023 Annual Results on or before 31 March 2024, trading in the shares of the Company on the Stock Exchange is expected to be suspended with effect from 9:00 a.m. on 2 April 2024, pending the publication of the 2023 Annual Results.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Narnia (Hong Kong) Group Company Limited
Dai Shunhua
Chairman

Zhejiang, the PRC, 26 March 2024

As at the date of this announcement, the executive Directors are Mr. Dai Shunhua, Ms. Song Xiaoying and Mr. Yeung Yiu Wah Francis, and the independent non-executive Directors are Dr. Liu Bo, Mr. Song Jun and Mr. Yu Chung Leung.

For the purposes of this announcement and illustration only, conversions of USD and RMB are based on the approximate exchange rate of USD1.00 to RMB7.17. No representation is made that any amount in USD or RMB could have been or could be converted at the above rate or any other rates.

*This announcement, for which the Directors of Narnia (Hong Kong) Group Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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, (i) the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive; and (ii) 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 Listed Company Announcements” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.narnia.hk>.