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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)

POSITIVE PROFIT ALERT

This announcement is made by Narnia (Hong Kong) Group Company Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Inside Information Provisions (as defined in the GEM Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2021 (the "Period") and the information currently available, the board (the "Board") of directors (the "Directors") of the Company wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group is expected to record a net profit within the range of approximately RMB4.5 million to RMB5.0 million for the Period, as compared to the net loss of approximately RMB16.1 million recorded for the nine months ended 30 September 2020 (the "Previous Period").

Based on the information currently available, the expected turnaround from loss to profit is mainly attributable to (i) an increase in the Group's turnover and gross profit for the Period as compared to the Previous Period as a result of the market recovery from the outbreak of the COVID-19 pandemic; (ii) a decrease in net loss on sales of raw materials of approximately RMB11.0 million for the Period as compared to the Previous Period; and (iii) a decrease in net exchange loss of approximately RMB3.4 million for the Period as compared to the Previous Period.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the unaudited consolidated management accounts for the Period and the information currently available. The information in this announcement has not been reviewed or audited by the auditors of the Company or reviewed by the audit committee of the Company. The Company is still in the process of finalising the results for the Period and the actual results of the Company for the Period are subject to adjustment and may differ from the information disclosed in this announcement. Shareholders and investors are advised to read carefully the 2021 third quarterly results announcement of the Company for the Period, which is expected to be published by the Company on or around 12 November 2021 in accordance with the GEM Listing Rules.

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

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

Chairman

Zhejiang, the PRC, 26 October 2021

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

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, (i) the information contained in this announcement 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 Company Announcements" page of the GEM website at www.hkgem.com and the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.narnia.hk.