
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 Narnia (Hong Kong) Group Company Limited (the “**Company**”), 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. This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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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)

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(3) PROPOSED RE-APPOINTMENT OF AUDITOR,
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Narnia (Hong Kong) Group Company Limited to be held at the head office conference room, Jiapu Economic Development Area, Changxing County, Huzhou City, Zhejiang Province, the PRC on Friday, 13 May 2022 at 11:00 a.m. is set out on pages 14 to 18 of this circular.

A form of proxy for use at the Annual General Meeting and a reply slip were sent to shareholders on 31 March 2022 and such form of proxy and reply slip are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.narnia.hk). Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon and (ii) the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

This circular will remain on the “Latest Listed Company Information” 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 publication. This circular will also be posted on the Company’s website at www.narnia.hk.

31 March 2022

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

*This circular, for which the directors (the “**Directors**”) of Narnia (Hong Kong) Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) 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 (“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.*

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at the head office conference room, Jiapu Economic Development Area, Changxing County, Huzhou City, Zhejiang Province, the PRC on Friday, 13 May 2022 at 11:00 a.m., notice of which is set out on pages 14 to 18 of this circular, or any adjournment thereof;
“associate” or “close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Narnia (Hong Kong) Group Company Limited (納尼亞(香港)集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange;
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares purchased or repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the Issue Mandate;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

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“Hong Kong”	the Hong Kong Special Administration Region of the PRC;
“Issue Mandate”	a general and unconditional mandate to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate;
“Latest Practicable Date”	27 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Date”	the date of commencement of trading of the Shares of the Company on the Stock Exchange, i.e. 26 February 2019;
“Memorandum and Articles”	the memorandum and articles of association of the Company as amended from time to time;
“PRC”	the People’s Republic of China;
“Prospectus”	the Company’s prospectus dated 13 February 2019;
“Repurchase Mandate”	a general and unconditional mandate to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of nominal value of US\$0.001 each in the issued share capital of the Company;
“Share Options”	share options that can be granted under the share option scheme adopted by the Company on 29 January 2019;
“Shareholder(s)”	the holders of the shares of the Company;

DEFINITIONS

“Spring Sea”	Spring Sea Star Investment Limited, a company incorporated in the BVI with limited liability on 14 June 2017, which was owned as to approximately 53.98% by Mr. Dai Shunhua and 46.02% by Ms. Song Xiaoying, respectively, as at the Latest Practicable Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Dai Shunhua (*Chairman*)

Ms. Song Xiaoying

Independent Non-executive Directors:

Mr. Song Jun

Dr. Liu Bo

Mr. Yu Chung Leung

Registered Office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

***Principal Place of Business
in Hong Kong:***

19th Floor, Three Exchange Square

8 Connaught Place, Central

Hong Kong

31 March 2022

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(2) PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(3) PROPOSED RE-APPOINTMENT OF AUDITOR,
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

(1) INTRODUCTION

The main purpose of this circular is to provide you with, among other things:

- (i) further information as is necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM relating to:
 - (a) the re-election of retiring Directors in accordance with the Memorandum and Articles;

LETTER FROM THE BOARD

- (b) re-appointment of the auditor of the Company;
 - (c) the granting to the Directors the Issue Mandate and the Repurchase Mandate; and
- (ii) the notice of the AGM.

(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to article 112 of the Articles of Association of the Company, the Board shall have power to appoint a Director whose appointment shall only be until the first general meeting after his/her appointment and be subject to re-election at the next general meeting but eligible for re-election. Besides, one-third of the Directors shall retire from office by rotation at each annual general meeting. Accordingly, Dr. Liu Bo and Mr. Song Jun shall retire at the forthcoming AGM. The retiring Directors, all being eligible, offer themselves for re-election. At the AGM, ordinary resolutions set out in resolution numbered 2 and 3 of the notice of the AGM will be proposed to re-elect Dr. Liu Bo as independent non-executive Director and Mr. Song Jun as independent non-executive Director, respectively. None of the independent non-executive Directors had served more than nine years as at the Latest Practicable Date.

On 30 March 2022, the nomination committee of the Board (the “**Nomination Committee**”), having reviewed the composition of the Board, nominated the retiring Directors, namely Dr. Liu Bo (“**Dr. Liu**”) and Mr. Song Jun (“**Mr. Song**”), to the Board for it to recommend to Shareholders for re-election at the AGM. Dr. Liu, who is the chairman of the Nomination Committee, and Mr. Song, who is a member of the Nomination Committee, abstained from voting at the Nomination Committee meeting when their own respective nominations were being considered.

The nominations were made in accordance with the nomination policy and the objective criteria (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, details of which are set out in the Prospectus and 2021 annual report of the Company. The Nomination Committee had also taken into account of the respective contributions of Dr. Liu and Mr. Song to the Board and their commitment to their roles. The Nomination Committee was satisfied with the independence of each of Dr. Liu and Mr. Song having regard to the independence criteria as set out in Rule 5.09 of the GEM Listing Rules.

Each of Dr. Liu and Mr. Song, who are proposed to be re-elected as independent non-executive Directors of the Company, confirmed to the Company that he did not, as at the Latest Practicable Date, hold seven or more directorships in any listed companies. The biographical background of Dr. Liu and Mr. Song is more particularly set out in Appendix I of this circular.

LETTER FROM THE BOARD

On 30 March 2022, the Board accepted Nomination Committee's nominations and recommended Dr. Liu and Mr. Song to stand for re-election by Shareholders at the AGM. The Board considers that the re-election of Dr. Liu and Mr. Song as Directors is in the best interest of the Company and Shareholders as a whole. Dr. Liu and Mr. Song abstained from the discussion and voting at the Board meeting regarding their respective nominations.

Further information about the Board's composition and diversity (including their gender, age, expertise, skills and qualifications) and Directors' attendance record at Board/committee meetings held by Directors will be disclosed in the corporate governance report in the annual report of the Company for the year ended 31 December 2021.

(3) GENERAL MANDATES

Pursuant to the ordinary resolutions passed by the Shareholders at the annual general meeting of the Company on 14 May 2021, the Directors were granted the general and unconditional mandates to allot, issue and deal with the Shares of up to a maximum of 20% of the issued share capital of the Company as at the same day and to repurchase Shares of up to a maximum of 10% of the issued share capital of the Company as at the same day, respectively and to extend the general mandate to allot, issue and deal with the Shares to include Shares repurchased under the general mandate to repurchase Shares. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew these general mandates at the AGM.

(a) Issue Mandate

At the AGM, an ordinary resolution set out in resolution numbered 5 of the notice of the AGM will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors a new general and unconditional mandate to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution. As at the Latest Practicable Date, the total number of Shares in issue was 800,000,000. Subject to the passing of the proposed resolution, the maximum number of new Shares which can be issued under the Issue Mandate will be 160,000,000 Shares (assuming that no further Shares will be issued or repurchased prior to the AGM).

(b) Repurchase Mandate

At the AGM, an ordinary resolution set out in resolution numbered 6 of the notice of the AGM will be proposed to the Shareholders to consider, and if thought fit, to grant to the Directors a new general and unconditional mandate to exercise all powers of the Company to repurchase, subject to the criteria set out in the circular, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution. As at the Latest Practicable Date, the total number of Shares in issue was 800,000,000. Assuming that no further Shares will be issued or repurchased prior to the AGM and subject to the passing of

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the proposed resolution, the maximum number of Shares which can be repurchased under the Repurchase Mandate will be 80,000,000 Shares.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

(c) Extension Mandate

Subject to the passing of the ordinary resolutions of the Issue Mandate and the Repurchase Mandate, an ordinary resolution will also be proposed to grant to the Directors the Extension Mandate to extend the Issue Mandate by the addition to the number of the Shares which may be issued, allotted and dealt with by the Directors pursuant to the Issue Mandate of an amount not exceeding the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate.

Details of the Extension Mandate are set out in the ordinary resolution as referred to in resolution numbered 7 of the notice of the AGM.

(4) RE-APPOINTMENT OF THE AUDITOR

Moore Stephens CPA Limited will retire as the auditor of the Company at the AGM and being eligible, offer themselves for re-appointment as the auditor of the Company. Details of the re-appointment of auditor are set out in the ordinary resolution numbered 4 of the notice of the AGM.

(5) ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the AGM to be held at the head office conference room, Jiapu Economic Development Area, Changxing County, Huzhou City, Zhejiang Province, the PRC on Friday, 13 May 2022 at 11:00 a.m. is set out on pages 14 to 18 of this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, (i) the proposed re-election of retiring directors; (ii) re-appointment of the auditor of the Company; and (iii) the general mandates to issue Shares and to repurchase Shares.

A form of proxy for use at the AGM and a reply slip were sent to shareholders on 31 March 2022 and such form of proxy and reply slip are also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.narnia.hk). Whether or not you intend to attend the AGM, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon and (ii) the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before

LETTER FROM THE BOARD

the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish. According to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

An announcement on the poll results will be published by the Company after the AGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

(6) CLOSURE OF THE REGISTER OF MEMBERS

To be eligible to attend and vote in the forthcoming annual general meeting, the register of members of the Company will be closed from Tuesday, 10 May 2022 to Friday, 13 May 2022 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified for attending and voting at the AGM, all Share transfer documents must be lodged with Tricor Investor Services Limited, the Company's share registrar in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on Friday, 6 May 2022.

(7) RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirmed, having made all reasonable enquiries, that, to the best of the knowledge and belief, there are no other facts, the omission of which would make any statement in this circular misleading.

(8) RECOMMENDATION

The Directors are of the view that all resolutions proposed for consideration and approval by the Shareholders at the AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions as set out in the notice of the AGM.

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

**APPENDIX I BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

The biographical details of the two retiring Directors proposed to be re-elected at the AGM are set out as follows:

Dr. Liu Bo (劉波博士), aged 42, was appointed as our independent non-executive Director on 29 January 2019. He is the chairman of our nomination committee and a member of our audit committee and remuneration committee.

Dr. Liu was appointed as a lecturer of University of Electronic Science and Technology of China (電子科技大學) in June 2009. He became an associate professor and a professor of the School of Management and Economics of University of Electronic Science and Technology of China in August 2011 and August 2017, respectively.

Dr. Liu obtained a bachelor's degree in business administration, a master's degree in quantitative economics, and a doctoral degree in management science and engineering from University of Electronic Science and Technology of China in July 2002, March 2005 and June 2009, respectively.

Under a letter of appointment between Dr. Liu and the Company commencing from his appointment, Dr. Liu, in his capacity as an independent non-executive Director of the Company, is entitled to receive an annual director's remuneration of RMB83,000, which is determined with reference to his experience, qualifications, duties and responsibilities involved in the Company, the performance of the Company and the prevailing market conditions, which will be subject to annual review by the Board.

As at the Latest Practicable Date, Dr. Liu did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Liu does not hold, and has not held, any other positions within the Group and is not connected with any Directors, substantial or Controlling Shareholders, or senior management of the Company.

Save as disclosed above, Dr. Liu did not hold any directorship in other public companies the securities of which are listed on any stock market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, the Company considers that in relation to the proposed re-election of Dr. Liu as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company.

**APPENDIX I BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Mr. Song Jun (宋駿先生), aged 55, was appointed as our Independent Non-executive Director on 27 September 2019. He has 28 years of experience in the banking and investment sector. He has been the investment director of Wisdom Group International Development Co. Limited, a private company incorporated in Hong Kong with limited liability since 2013. Mr. Song was the investment director of Shanghai Cehai Investment Company Limited* (上海策海投資有限公司) from 2007 to 2013, Mr. Song worked as the first vice-president and the president of Shanghai Branch of Metropolitan Bank and Trust Company, a bank headquartered at the Philippines, from 2007 to 2009. From 2001 to 2007, he served as the deputy president and president of a branch bank of China Merchants Bank, Shanghai Branch. From 1985 to 2001, he served in various posts in the Zhejiang Branch of the Industrial and Commercial Bank of China, and from 1995 onwards, he worked in various managerial positions including the head of human resources, head of information management, head of strategic planning, head of financial planning, trust and investment executives, the secretary-general of bank credit review committee. Mr. Song was award a master's degree in economics from the Shanghai University of Finance and Economics in 2007.

Under a letter of appointment between Mr. Song and the Company commencing from his appointment, Mr. Song, in his capacity as an independent non-executive Director of the Company, is entitled to receive an annual director's remuneration of RMB83,000, which is determined with reference to his experience, qualifications, duties and responsibilities involved in the Company, the performance of the Company and the prevailing market conditions, which will be subject to annual review by the Board.

As at the Latest Practicable Date, Mr. Song did not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Song does not hold, and has not held, any other positions within the Group and is not connected with any Directors, substantial or Controlling Shareholders, or senior management of the Company.

Save as disclosed above, Mr. Song did not hold any directorship in other public companies the securities of which are listed on any stock market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, the Company considers that in relation to the proposed re-election of Mr. Song as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company.

APPENDIX II EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to you for your consideration in respect of the Repurchase Mandate.

(1) SHARE CAPITAL

As at the Latest Practicable Date, the Company has a total of 800,000,000 Shares in issue. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares. Subject to the passing of the relevant resolution(s) as set out in the notice of the AGM and assuming that no further Shares are issued or repurchased by the Company, the Directors will be authorized to repurchase up to 80,000,000 Shares (being 10% of the issued share capital of the Company as at the date of the AGM) pursuant to the Repurchase Mandate during the period ending on 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 law to be held; or (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

(2) REASONS FOR REPURCHASE

Our Directors have no present intention to repurchase any Shares but believe that it is in the best interests of our Company and our Shareholders for our Directors to be granted a general mandate from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(3) FUNDING OF REPURCHASES

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the GEM Listing Rules and the Companies Act. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

Subject to the foregoing, any repurchase of the Shares by the Company may be made out of profits of the Company, out of share premium, or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase or, subject to the Companies Act, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits of the Company, out of the Company's share premium account before or at the time the Shares are repurchased, or subject to the Companies Act, out of capital.

(4) IMPACT OF SHARE REPURCHASE

On the basis of our Group's financial position and taking into account its working capital position as at 31 December 2021 (being the date of its latest audited accounts), our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our Group's working capital and/or its gearing position. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Group's working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

(5) INTENTION TO SELL SHARES

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates had any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to our Company. Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of the Cayman Islands.

No core connected person has notified our Company that he/she/it has a present intention to sell any of their Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

(6) THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in voting rights increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

APPENDIX II EXPLANATORY STATEMENT FOR REPURCHASE MANDATE

(7) SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have traded on the Stock Exchange for each of the previous twelve calendar months immediately preceding (and including) the Latest Practicable Date:

	Share Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
February	0.270	0.250
March	0.265	0.221
April	0.280	0.215
May	0.260	0.212
June	0.280	0.210
July	0.239	0.210
August	0.270	0.192
September	0.238	0.171
October	0.204	0.150
November	0.198	0.150
December	0.200	0.150
2022		
January	0.184	0.146
February	0.182	0.153
March (up to the Latest Practicable Date)	0.170	0.113

(8) SHARE REPURCHASE BY THE COMPANY

Our Company has not made any repurchases of our Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

(9) UNDERTAKING

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

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Narnia (Hong Kong) Group Company Limited (the “**Company**”) will be held at the head office conference room, Jiapu Economic Development Area, Changxing County, Huzhou City, Zhejiang Province, the PRC on Friday, 13 May 2022 at 11:00 a.m. for the following purposes, and unless otherwise defined herein, the terms herein shall have the same meanings as defined in the circular to the shareholders of the Company dated 31 March 2022 (the “**Circular**”):

ORDINARY RESOLUTIONS

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

- (1) To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) of the Company and auditor of the Company for the year ended 31 December 2021.
- (2) To re-elect Dr. Liu Bo as an independent non-executive Director of the Company and to authorise the board (the “**Board**”) of Directors of the Company to fix his remuneration.
- (3) To re-elect Mr. Song Jun as an independent non-executive Director of the Company and authorise the Board to fix his remuneration.
- (4) To re-appoint Moore Stephens CPA Limited as the auditor of the Company to hold office until the conclusion of the next annual general meeting, and to authorise the Board to fix their remuneration.

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As a special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

(5) “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary shares of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into ordinary shares of the Company, (iii) the exercise of options granted by the Company under any share option agreements and/or option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire the ordinary shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of the ordinary shares of the Company in lieu of the whole or part of a dividend on the ordinary shares in accordance with the articles of association of the Company (the “**Articles of Association**”), shall not exceed 20% of the aggregate nominal amount of the shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
- (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of ordinary shares open for a period fixed by the Company (or by the Directors) to holders of ordinary shares on the Register of Members (ordinary shares) of the Company on a fixed record date in proportion to their then holdings of such ordinary shares (subject to such exclusions 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 any authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

(6) “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the ordinary shares of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the ordinary shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution 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 passing of this resolution; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from 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 Articles of Association of the Company or any applicable laws to be held; and

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(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(7) “**THAT** conditional upon the passing of resolutions numbered 5 and numbered 6 set out in the notice convening this meeting, the aggregate nominal amount of the number of ordinary shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution numbered 6 shall be added to the aggregate nominal amount of share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution numbered 5.”

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

Zhejiang, the PRC, 31 March 2022

Notes:

- (1) A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
- (2) To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint registered holders of a share in the Company, any one of such joint holders may vote, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (5) The register of members of the Company will be closed from Tuesday, 10 May 2022 to Friday, 13 May 2022 (both days inclusive) during which period no transfer of shares will be registered. To be qualified for attending and voting at the forthcoming annual general meeting, all share transfer documents must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 6 May 2022.
- (6) In relation to the proposed resolutions numbered 5 and 7 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 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.

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- (7) In relation to the proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. 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 II to the Circular.

As at the date of this notice, 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 notice, 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 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 notice 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 notice misleading.

This notice will remain on the “Latest Listed Company Information” 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 notice will also be posted on the Company’s website at www.narnia.hk.