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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This is a voluntary announcement made by Narnia (Hong Kong) Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company informed of the latest business development of the Group.

LAPSE OF THE MOU

Reference is made to the voluntary announcement of the Company dated 9 February 2023 in relation to, *inter alia*, entering into the memorandum of understanding in relation to the Potential Investment (the “**Announcement**”). Unless otherwise defined, any capitalised terms used in this announcement shall have the same meanings as those set out in the Announcement. As at the date of this announcement, the Exclusivity Period has lapsed and no Formal Agreement is entered into between the parties since the parties therein failed to agree on the terms in the Formal Agreement. Therefore, the Potential Investment did not materialise.

EXPANSION OF BUSINESS

As set out in the Announcement, the Group is intended to expand its business scope to general health and biological sciences. Therefore, the Group has decided to incorporate a new subsidiary to be led by an executive Director, Mr. Yeung Yiu Wah Francis, for the development of great health business, *inter alia*, the commercialization, manufacture and distribution of biotech and healthcare products and the provision of healthcare services. As the first step, the Group has recently secured the distributorship of Wong To Yick Wood Lock Medicated Oil (黃道益活絡油) in China market. Wong To Yick is a renowned brand name in Hong Kong and China specialised in medicated oil mainly for pains of muscles and muscle sprain. In 2023, Wong To Yick Wood Lock Medicated Oil has successfully been accredited as an approved drug and is registered under the National Medical Product Administration (國家藥物管理局) of the People’s Republic of China.

ENGAGEMENT OF SPECIALIST FOR BUSINESS EXPANSION

To attain the Group's business objectives, the Group has also invited Dr. Lam Man Kit, Dominic (“**Dr. Lam**”) to join the Group as the Chief Scientific Officer to oversee the operation of the great health business. Dr. Lam will be leading the scientific operations of the Group's great health business, who will be responsible for developing scientific strategies, directing clinical trial designs (if any), implementing research processes, ensuring quality standards, managing a team of scientists and supporting staff and overseeing project budgets and timelines.

BIOGRAPHICAL DETAILS OF DR. LAM

Dr. Lam, a specialist in Ophthalmology, received Canada's Centennial Award to study at Harvard Medical School in 1970. He was under the mentorship of two Nobel Laureates, Professor Torsten Wiesel and Professor David Hubel at Harvard Medical School on Ophthalmology and brain research. From 1972 to 1977, he was the Instructor and Assistant Professor at Harvard Medical School. During the period between 1977 and 1999, he was the Professor of Ophthalmology at Baylor College of Medicine, Texas Medical Centre, Houston. He has obtained Honorary Professorships at various institutions, which are Zhongshan University, Guangzhou, China in 1982, Chinese Academy of Science, Shanghai in 1985, The University of Hong Kong (2002), West China Medical Center, Chengdu, China and Sichuan University in 2007, Hong Kong Baptist University in 2011 and The Hong Kong Polytechnic University in 2015.

According to Ophthalmic Research, Dr. Lam has been one of the world's top retinal and visual cortical scientists since 1971, with over 50 publications in leading journals including but not limited to Nature and the Proceedings of the National Academy Sciences (PNAS). He is also an inventor of oral vaccination platforms for the prevention of major infectious diseases including but not limited to Hepatitis B, COVID-19 in humans, avian flu, V24 and V28 in shrimp, in relation to which over 20 international patents were registered. In 2001, this technology was recognized by Time Magazine as one of the 10 most important inventions of the 20th Century and by the Massachusetts Institute of Technology as one of the 5 patents that will transform business and technology in the world.

REASONS AND BENEFITS OF THE BUSINESS EXPANSION

As at the date of this announcement, the Group is principally engaged in the manufacture and sale of fabric products and the provision of printing and dyeing service.

As mentioned in the interim report for the six months ended 30 June 2023, the market outlook for the Group's principal business is still challenging. The Group is of the view that the diversification of the business into the healthcare industry would broaden its income sources and diversify the risks associated with heavy reliance on the current single business of the Group. The Group will build a dedicated team and hire experienced personnel to continue developing the healthcare business.

The Company will keep the Shareholders and potential investors of the Company informed of any further business update in relation to the above by further announcement(s) made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

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

Zhejiang, the PRC, 21 August 2023

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.

This announcement, for which the Directors 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 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 Listed Company Information” page of 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.