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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)**

### **UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023**

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).

Reference is made to the announcements dated 26 March 2024, 27 March 2024 and 1 April 2024 of the Company (the “**Announcements**”). Capitalised terms in this announcement unless otherwise specified, shall have the same meanings as those set out in the Announcements.

As stated in the Announcements, the review by the Independent Committee is still in progress and no conclusion on the key unresolved audit matters has been drawn yet. Although the publication of the unaudited consolidated financial statements of the Group for the year ended 31 December 2023 may not be a true and fair reflection of the financial performance and position of the Group which may be misleading and confusing to the shareholders of the Company, potential investors and other stakeholders. However, in order to provide information to the shareholders of the Company and potential investors for them to have a preliminary assessment of the performance of the Group, the Company sets out below a summary of the unaudited consolidated financial information of the Group for the year ended 31 December 2023 (the “**2023 Annual Results**”).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2023 – unaudited*

	<i>Notes</i>	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 <b>(Audited)</b> <b>RMB'000</b>
Revenue		<b>200,191</b>	348,683
Cost of sales and services		<b>(180,465)</b>	<b>(323,101)</b>
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Gross profit		<b>19,726</b>	25,582
Other income	1	<b>2,199</b>	3,789
Other (losses)/gains, net	2	<b>(15,856)</b>	1,428
Selling and distribution expenses		<b>(3,212)</b>	(3,723)
Administrative expenses		<b>(10,566)</b>	(10,076)
Research and development expenditure		<b>(9,364)</b>	(10,050)
Reversal of/(provision for) impairment loss on trade and other receivables		<b>4,963</b>	(4,338)
Other expenses		<b>(2,243)</b>	(785)
Gain on disposal of a subsidiary		<b>3,879</b>	–
Finance costs		<b>(2,878)</b>	(4,124)
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Loss before income tax		<b>(13,352)</b>	(2,297)
Income tax credit/(expense)		<b>1,076</b>	(857)
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Loss for the year		<b>(12,276)</b>	<b>(3,154)</b>
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Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
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Exchange differences on translation of financial statements of entities outside PRC		<b>(1,402)</b>	(196)
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Other comprehensive loss for the year		<b>(1,402)</b>	(196)
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<b>Total comprehensive loss for the year</b>		<b>(13,678)</b>	<b>(3,350)</b>
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	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Audited) RMB'000
<b>Loss for the year attributable to:</b>		
Equity shareholders of the Company	(12,276)	(3,154)
Non-controlling interests	—	—
	<u>                    </u>	<u>                    </u>
	<b><u>                    </u></b>	<b><u>                    </u></b>
<b>Total comprehensive loss for the year attributable to:</b>		
Equity shareholders of the Company	(13,678)	(3,350)
Non-controlling interests	—	—
	<u>                    </u>	<u>                    </u>
	<b><u>                    </u></b>	<b><u>                    </u></b>
<b>Loss per share attributable to equity shareholders of the Company</b>		
– Basic and diluted ( <i>RMB cents</i> )	(1.54)	(0.39)
	<u>                    </u>	<u>                    </u>
	<b><u>                    </u></b>	<b><u>                    </u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 – unaudited

	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
<b>Non-current assets</b>		
Property, plant and equipment	57,153	103,229
Investment properties	6,659	7,162
Intangible assets	834	1,003
Financial assets mandatorily measured at fair value through profit or loss (“FVTPL”)	21,500	21,500
Deferred tax assets	423	–
	<u>86,569</u>	<u>132,894</u>
<b>Current assets</b>		
Inventories	18,812	29,223
Trade and other receivables	81,697	69,112
Amount due from ultimate parent company	19,775	–
Bills receivables	5,299	11,930
Financial assets measured at FVTPL	–	419
Restricted bank deposits	60	60
Cash and cash equivalents	7,381	9,326
	<u>133,024</u>	<u>120,070</u>
<b>Current liabilities</b>		
Trade and other payables	46,587	34,642
Contract liabilities	3,929	8,045
Bank and other borrowings	46,020	82,900
Tax payable	351	320
	<u>96,887</u>	<u>125,907</u>
Net current assets/(liabilities)	<u>36,137</u>	<u>(5,837)</u>
Total assets less current liabilities	<u>122,706</u>	<u>127,057</u>

	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Audited) RMB'000
<b>Non-current liabilities</b>		
Bank borrowings	<b>9,980</b>	–
Deferred tax liabilities	–	653
	<u>9,980</u>	<u>653</u>
 Net assets	 <b><u>112,726</u></b>	 126,404
 <b>Capital and reserves</b>		
Share capital	<b>5,346</b>	5,346
Reserves	<b>107,380</b>	121,058
	<u>112,726</u>	<u>126,404</u>
 <b>Equity attributable to</b>		
Equity shareholders of the Company	<b>112,726</b>	126,404
Non-controlling interest	–	–
	<u>112,726</u>	<u>126,404</u>
 <b>Total equity</b>	 <b><u>112,726</u></b>	 126,404

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023 – unaudited

### 1. OTHER INCOME

	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Interest income	64	22
Investment income	–	17
Sales of raw materials, net of costs	–	265
Government subsidies ( <i>note</i> )	800	1,704
Value-added tax deductibles	661	–
Dividend income from unlisted equity securities mandatorily measured at FVTPL	–	1,021
Rental income from investment properties	286	593
Others	388	167
	<u>2,199</u>	<u>3,789</u>

*Note:* The amount represented government subsidies received from PRC local government authorities in connection with the unconditional government grants mainly for enterprise development support and innovation capabilities incentives in 2023 and 2022.

### 2. OTHER (LOSSES)/GAINS, NET

	2023 (Unaudited) RMB'000	2022 (Audited) RMB'000
Impairment losses on property, plant and equipment	–	(597)
(Loss)/gain on disposal of property, plant and equipment	(15,607)	696
Net exchange gain	793	724
Change in fair value of financial assets mandatorily measured at FVTPL	(23)	1,171
Others	(1,019)	(566)
	<u>(15,856)</u>	<u>1,428</u>

## **GENERAL REMINDER**

Shareholders of the Company and potential investors of the Company should note that the 2023 Annual Results has not been audited by the auditor of the Company and might be subject to potential adjustments during the ongoing audit process, the audited 2023 Annual Results may be substantially deviated from the unaudited 2023 Annual Results. In particular, the financial impacts from the key unresolved audit matters. The audit committee of the Company had reviewed the unaudited financial information of the Group published in this announcement.

Due to the reasons stated in the Announcements, the Company is not able to provide a timetable for publication of the audited 2023 Annual Results. The Company will actively follow-up the concerns raised by the auditor and aim to publish the audited 2023 Annual Results as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules in this regard.

## **SUSPENSION OF TRADING**

Trading in the shares of the Company will continue to be suspended until further notice.

**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, 18 June 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.*

*This announcement, for which the Directors of Narnia (Hong Kong) Group Company Limited 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>.*