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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 RESUMPTION GUIDANCE AND CONTINUED 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 of The Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 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**”) relating to, *inter alia*, the delay in publication of the annual results of the Company for the financial year ended 31 December 2023 (“**2023 Annual Results**”) and the establishment of an independent committee relating to the matters as referred to in the Announcements. Capitalised terms in this announcement unless otherwise specified, shall have the same meanings as those set out in the Announcements.

RESUMPTION GUIDANCE

On 18 June 2024, the Company received a letter from the Stock Exchange setting out the following resumption guidance (the “**Resumption Guidance**”) for the resumption of trading in the Company’s shares:

- (i) conduct an appropriate independent investigation into the Matters, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or the any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the GEM Listing Rules;
- (iv) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications;
- (v) demonstrate the Company's compliance with GEM Listing Rule 17.26; and
- (vi) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

As stated in the Resumption Guidance, the Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. Whilst the Company may seek the Stock Exchange's guidance on its resumption plan, the resumption plan is not subject to the prior approval by the Stock Exchange before implementation. The Stock Exchange also stated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

FURTHER GUIDANCE

- (i) Under GEM Rule 9.14(1), the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 1 April 2025. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 1 April 2025, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under GEM Rule 9.04, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.
- (ii) The Company must also comply with the GEM Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.
- (iii) The Stock Exchange requests that the Company announces the Resumption Guidance and the 12-month period within which it must meet the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares to avoid delisting as soon as practicable.

- (iv) While trading is suspended, the Company is also reminded of its obligations under the GEM Listing Rules including, but not limited to, the following:
- (a) keep the duration of any trading suspension to the shortest possible period as required under GEM Listing Rule 9.09;
 - (b) comply with its continuing obligations under the GEM Listing Rules at all times, for example, those applying to notifiable and/or connected transactions under Chapters 19 and 20 of the GEM Listing Rules and publication of periodic financial results and reports and, if they are not available, management accounts under Chapter 18 of the GEM Listing Rules;
 - (c) announce inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance; and
 - (d) announce quarterly updates on its developments under GEM Rule 17.26A including, among other relevant matters:
 - its business operations;
 - its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the GEM Listing Rules and resume trading. The resumption plan to have a timeframe in respect of each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 12-month period expires;
 - the progress of implementing its resumption plan; and
 - details of any material change to the resumption plan, and, in the case of delay, the reasons and impact of such delay.
- (v) The Company must announce its first quarterly update on or before 1 July 2024 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

The Company is currently taking all necessary steps to resolve the issues causing the suspension in trading in its shares and to comply with the GEM Listing Rules to the Stock Exchange's satisfaction, and will seek to resume trading in its shares as soon as possible.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules to update its shareholders and potential investors on the progress in complying with the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 and will continue to be suspended, pending the publication of the 2023 Annual Results, the fulfilment of the Resumption Guidance and the grant of approval of the Stock Exchange for the resumption of trading of the Shares.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

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

Zhejiang, the PRC, 20 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 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, (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 notice misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at www.narnia.hk. In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.