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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) TERMINATION OF DISCLOSEABLE TRANSACTION IN RESPECT  
OF DISPOSAL OF SHARES OF ZHEJIANG CHANGXING RURAL  
COMMERCIAL BANK COMPANY LIMITED\*  
(浙江長興農村商業銀行股份有限公司) AND  
(2) CONTINUED SUSPENSION OF TRADING**

Reference is made to the announcements (the “**Announcements**”) of Narnia (Hong Kong) Group Company Limited dated 21 December 2022 and 6 January 2023 in relation to the disposal of approximately 1.07% of the issued share capital of Zhejiang Changxing Rural Commercial Bank Company Limited\* (浙江長興農村商業銀行股份有限公司) (“**Changxing Rural Commercial Bank**”). This announcement is made pursuant to Rule 19.36 of the GEM Listing Rules. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those set out in the Announcements.

On 28 March 2024, Changxing Rural Commercial Bank issued a letter (the “**Letter**”) to the Vendor, an indirectly wholly-owned subsidiary of the Company, among other things, informing that the Purchaser is not eligible to be registered as a shareholder of Changxing Rural Commercial Bank due to relevant rules and regulations of the National Financial Regulatory Administration\* (國家金融監督管理總局). As a result, as at the date of this announcement, the Vendor remains a registered shareholder of Changxing Rural Commercial Bank, holding 7,565,794 shares in Changxing Rural Commercial Bank, though the Purchaser had fully paid the Consideration to the Vendor by August 2023.

As advised by the Company's PRC legal adviser, pursuant to the Trial Administrative Measures of Shareholding of Commercial Banks\* (商業銀行股權管理暫行辦法), commercial banks are required to enhance the scrutiny of shareholders' qualifications and fulfill reporting obligations regarding shareholders' qualifications. Changxing Rural Commercial Bank is required to adhere to its regulatory requirements, which stipulate that microcredit companies are not eligible to hold its shareholdings. Therefore, the Purchaser, being a microcredit company, is ineligible to be a shareholder of Changxing Rural Commercial Bank. The Board announces that after amicable discussion and careful consideration of all the circumstances surrounding the Share Disposal, the Vendor and the Purchaser decided not to proceed with the Share Disposal. On 3 April 2024 (after trading hours), the Vendor and the Purchaser entered into a supplemental agreement to the Share Transfer Agreement (the "**Supplemental Agreement**"), pursuant to which, among other things,

- (i) the Vendor agreed to fully refund the Consideration of RMB21.5 million and make a compensation payment of approximately RMB0.47 million (the "**Compensation Payment**") to the Purchaser. The Compensation Payment is mutually agreed upon by the Vendor and the Purchaser, based on the Purchaser's understanding (being a state-owned capital participating company\* (國有資本參股公司)) of the regulatory requirement for the preservation and appreciation of state-owned assets, and considering the largest shareholder of the Purchaser being a state-owned capital holding company\* (國有資本控股公司). As advised by the Company's PRC legal adviser, the Compensation Payment is in line with the relevant requirements under the Law on State-owned Assets of Enterprises\* (企業國有資產法);
- (ii) the Purchaser agreed to fully refund the dividend payment for the year ended 31 December 2022 (the "**2022 Changxing Dividend**") received from Changxing Rural Commercial Bank of approximately RMB1.0 million to the Vendor; and
- (iii) the Purchaser agreed that the Vendor can fully retain the proposed dividend payment for the year ended 31 December 2023 from Changxing Rural Commercial Bank.

The Board considers that the termination of the Share Disposal does not have any material adverse impact on the business operation and financial position of the Company.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2024 and will continue to be suspended, pending release of the Group's annual results for the year ended 31 December 2023.

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

\* *For identification purposes only*

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

Zhejiang, the PRC, 5 April 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 (the “**Company**”) 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 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>.*