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Natural Food International Holding Limited

五谷磨房食品國際控股有限公司

(Registered by way of continuation in the Cayman Islands with limited liability)

(Stock Code: 1837)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO
THE 2018 ANNUAL REPORT OF THE COMPANY**

Reference is made to the annual report (the “**Annual Report**”) of Natural Food International Holding Limited (the “**Company**”) for the year ended 31 December 2018 published on the website of both The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 28 April 2019. Terms used herein shall have the same meanings as defined in the Annual Report unless the context requires otherwise.

The board of directors (the “**Board**”) would like to provide further information on the Annual Report to update on the actual use of proceeds from the global offering of the shares of the Company (the “**Global Offering**”) pursuant to paragraph 11(8) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange. The shares of the Company were listed on the Stock Exchange on 12 December 2018 with net proceeds from the Global Offering amounted to approximately HK\$636.8 million (after deduction of underwriting fees and commissions and estimated expenses payable by the Company in connection with the Global Offering).

During the period between the Listing Date and 31 December 2018, the net proceeds from the Listing had not been utilised given the short duration in between the Listing Date and the financial year end.

According to the intended use as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 November 2018, the breakdown of the intended use and the amount utilised as at 31 December 2018 were as follows:

	Budget	Amount that had been utilised as at 31 December 2018	Remaining balance as at 31 December 2018 (HK\$ million)
To further enhance the integrated distribution platform and optimise the channel mix	222.9	–	222.9
– To expand the online presence through further developing the technology infrastructure	22.3	–	22.3
– To upgrade certain existing concessionary counters into integrated health food stores in supermarkets	22.3	–	22.3
– To further increase the number of the concessionary counters, including the related expense for decoration, equipment procurement and other fees	44.6	–	44.6
– To expand into and introduce the existing and/or new products at various high-frequency “on-the-go” consumption channels	133.7	–	133.7
To construct the new Nansha Manufacturing Facility in Guangzhou, Guangdong Province and the procurement of machinery and equipment for this planned processing facility	382.1	–	382.1
To use for general corporate purposes	31.8	–	31.8
Total	636.8	–	636.8

Note: The remaining proceeds are expected to be utilised during the period from 1 January 2019 to 31 December 2020, and is based on the Directors' best estimation of the future market conditions and thus subject to change.

The Board confirmed that, save as disclosed in this announcement, the content of the 2018 Annual Report remained correct and unchanged.

By order of the Board
Natural Food International Holding Limited
GUI Changqing
Chairman

Hong Kong, 6 September 2019

As at the date of this announcement, the executive Directors are Ms. GUI Changqing and Mr. ZHANG Zejun; and the independent non-executive Directors are Mr. ZHANG Senquan, Mr. HU Peng and Mr. OUYANG Liangyi.