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五谷磨房

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)

INSIDE INFORMATION
PROFIT WARNING ANNOUNCEMENT

This announcement is made by Natural Food International Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Directors**") of the Company (the "**Board**") hereby informs the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the period ended 30 June 2020, and other information currently available to the Company, the Group expects to record a loss attributable to owners of the Company for the period ended 30 June 2020 of approximately RMB50 million, compared with a profit attributable to owners of the Company of RMB105 million for the period ended 30 June 2019.

The expected decrease of profit attributable to owners of the Company is primarily due to:

(i) The outbreak of the 2019 novel coronavirus (the "**Covid-19 Outbreak**") has resulted a significant impact on the Group's business operations since the Chinese New Year 2020;

(ii) The central and local governments of the People's Republic of China have successively implemented a number of epidemic prevention measures and restrictions on consumer sites, which have severely affected the Company's business operations. In addition, as disclosed in the Company's voluntary announcements dated 13 February 2020 and 25 February 2020, the Group's production base in Hubei Province has suspended operations for a considerable period of time since the Chinese New Year 2020, which has resulted a major impact on the Group's normal production and delivery of products during the period ended 30 June 2020;

(iii) The Group has adopted a number of promotion measures to actively resume the sales and expedite the inventory clearance, accordingly, gross profit margin for the period ended 30 June 2020 was decreased by approximately 8.5% compared to the period ended 30 June 2019.

Compared with the same period in 2019, the Group expects a continued increase in revenue generated from online channels for the period ended 30 June, 2020. Subsequent to the Covid-19 Outbreak, the Board is of the view that the Covid-19 Outbreak may increase the consumer health consciousness and demand for natural health food products, which may provide further opportunities for the Company as a player in the natural health food industry. The Company has reasonably increased its investment in brand building to enhance the brand image and influence, it is planning to accelerate and increase the investment over online channels, in addition to vigorously cultivating natural, healthy and convenient natural food products in serving the potential consumer needs. The company's financial position is sound and has sufficient liquidity to meet future business needs.

The Company is still in the process of finalizing the interim results of the Group for the period ended 30 June 2020. The information contained in this announcement is only based on a preliminary review of the unaudited management accounts of the Group and other information currently available to the Board, which has not been reviewed or audited by the Company's auditors and is subject to possible adjustments arising from further review. The interim results of the Group for the period ended 30 June 2020 may be different from the information referred in this announcement. Further details of the Group's financial results and performance will be disclosed in the Company's announcement of interim results for the period ended 30 June 2020, which is expected to be published by the end of August 2020.

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

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

Hong Kong, 10 August 2020

As at the date of this announcement, the Board of Directors of the Company comprises Ms. GUI Changqing and Mr. ZHANG Zejun as Executive Directors, Ms. TSE Cheung On Anne and Mr. WANG Duo as Non-executive Directors, and Mr. ZHANG Senquan, Mr. HU Peng and Mr. OUYANG Liangyi as Independent non-executive Directors.