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Nature Home Holding Company Limited

大自然家居控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2083)

PROFIT WARNING

This announcement is made by Nature Home Holding Company Limited (the “**Company**”, and 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 “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the consolidated net profit of the Group for the year ended 31 December 2020 (the “**Year**”) is expected to decrease by more than 80% (the “**Expected Decrease in Profit**”) as compared to the consolidated net profit of the Group of approximately RMB153,943,000 for the year ended 31 December 2019. The Expected Decrease in Profit was mainly due to the negative impacts of the worldwide outbreak of novel coronavirus pandemic (the “**Pandemic**”), including in the People’s Republic of China (the “**PRC**”), in particular during the first half of 2020, details of which are as follows:

1. In response to the Pandemic, the PRC government has implemented a series of measures at different levels such as travel restrictions, community quarantine and lockdowns in provinces and cities across the country, resulting in a postponement of the production resumption of most of the Group’s factories in the PRC after the Chinese New Year holiday, which have gradually resumed normal since March 2020;
2. The Pandemic and the above-mentioned measures have hit the consumer market and the retail sales of home decoration products in the PRC (which have a higher profit margin as compared to that of project sales) were affected. Certain distributors of the Group were also temporarily closed for business and only resumed normal operation in the second quarter of 2020; and
3. As a result of above, the Group recorded a decrease in retail sales of home decoration products for the Year as compared with last year, which resulted in a drop in the overall gross profit margin.

The Group's project sales had been affected by the Pandemic to a lesser degree, and realised a faster resumption. In particular, the project sales covering the three major types of products (namely, flooring, wooden doors and wardrobes and cabinets) recorded a double digit growth as compared with last year. In addition, the newly acquired factories in overseas had contributed to the sales of the Group. After offsetting the effect of decrease in retail sales and increase in project sales and sales from newly acquired factories, the Group recorded an increase in the overall sales for the Year as compared with last year.

The Company is still in the process of preparing and finalising the results of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the Year, and is not based on any information or figures which have been audited or reviewed by the Group's auditors and may be subject to possible adjustments.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Year, which is expected to be published by the end of March 2021.

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

By order of the Board
Nature Home Holding Company Limited
Se Hok Pan
Chairman and Executive Director

Hong Kong, 22 March 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. SE Hok Pan, Ms. UN Son I and Mr. SHE Jian Bin as executive directors; Mr. LIANG Zhihua and Mr. TEOH Chun Ming as non-executive directors; Professor LI Kwok Cheung, Arthur, Mr. CHAN Siu Wing, Raymond and Mr. HO King Fung, Eric as independent non-executive directors.