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**GREEN FUTURE FOOD HYDROCOLLOID MARINE
SCIENCE COMPANY LIMITED**

綠新親水膠體海洋科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01084)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Board is pleased to announce the audited consolidated financial results of the Group for FY2024 as follows:

- Revenue amounted to RMB989.3 million, decreased by 15.7% as compared to RMB1,174.0 million for FY2023.
- Gross profit amounted to RMB222.5 million and the gross profit margin was 22.5%, increased by RMB184.9 million and 19.3 percentage points, as compared to RMB37.6 million and 3.2%, respectively, for FY2023.
- Profit for FY2024 amounted to RMB60.9 million and the net profit margin was 6.1%, increased by RMB146.3 million and 13.4 percentage points, as compared to the net loss of RMB85.4 million and negative net profit margin of 7.3%, respectively, for FY2023.

The Directors propose the payment of a final cash dividend for the year ended 31 December 2024 of HK1.2 cent per share, subject to the approval of the Shareholders at the Annual General Meeting.

The board (the “**Board**”) of directors (the “**Directors**”) of Green Future Food Hydrocolloid Marine Science Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**FY2024**”), together with the comparative figures for the year ended 31 December 2023 (the “**FY2023**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		Year ended 31 December	
	Note	2024	2023
		RMB’000	RMB’000
Revenue	3	989,257	1,173,991
Cost of sales	4	(766,799)	(1,136,350)
Gross profit		222,458	37,641
Other income		11,557	4,476
Other gains/(losses) – net		2,420	(2,565)
Net impairment (losses)/gains on financial assets		(989)	3,168
Selling and distribution expenses	4	(20,626)	(17,770)
Administrative expenses	4	(104,581)	(97,349)
Operating profit/(loss)		110,239	(72,399)
Finance income		686	397
Finance costs		(30,052)	(40,889)
Finance costs – net		(29,366)	(40,492)
Profit/(loss) before income tax		80,873	(112,891)
Income tax expense	5	(19,996)	27,447
Profit/(loss) for the year		60,877	(85,444)
Profit/(loss) for the year attributable to:			
Owners of the Company		62,171	(85,327)
Non-controlling interests		(1,294)	(117)
		60,877	(85,444)
Earnings per share for profit/(loss) attributable to owners of the Company			
Basic earnings/(loss) per share (RMB)	6	0.074	(0.103)
Diluted earnings/(loss) per share (RMB)	6	0.074	(0.103)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit/(loss) for the year	60,877	(85,444)
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss:</i>		
– Currency translation differences	(7,044)	(969)
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
– Currency translation differences	3,542	—
Total comprehensive income/(loss) for the year	57,375	(86,413)
Total comprehensive income/(loss) for the year is attributable to:		
Owners of the Company	58,672	(86,516)
Non-controlling interests	(1,297)	103
	57,375	(86,413)

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	Note	As at 31 December	
		2024	2023
		RMB'000	RMB'000
Assets			
Non-current assets			
Land use rights		52,593	53,913
Property, plant and equipment		372,947	374,851
Intangible assets		67,143	66,890
Prepayments for non-current assets		4,231	3,449
Deferred income tax assets		36,669	47,816
		<u>533,583</u>	<u>546,919</u>
Current assets			
Inventories		747,713	784,998
Trade and other receivables	8	149,536	127,337
Restricted cash		20,702	11,749
Cash and bank balances		120,734	72,600
		<u>1,038,685</u>	<u>996,684</u>
Total assets		<u><u>1,572,268</u></u>	<u><u>1,543,603</u></u>
Equity			
Equity attributable to owners of the Company			
Share capital		7,892	7,485
Other reserves		285,052	251,462
Shares held for the share award scheme		(8,797)	(10,274)
Retained earnings		555,723	496,570
		<u>839,870</u>	<u>745,243</u>
Non-controlling interests		<u>10,272</u>	<u>8,869</u>
Total equity		<u><u>850,142</u></u>	<u><u>754,112</u></u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2024

	Note	As at 31 December	
		2024	2023
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings		100,995	67,154
Lease liabilities		2,196	1,706
Deferred income		19,318	19,332
Deferred income tax liabilities		3,857	4,214
		<u>126,366</u>	<u>92,406</u>
Current liabilities			
Trade and other payables	9	129,242	161,185
Bank borrowings		460,597	531,965
Lease liabilities		1,338	1,144
Current income tax liabilities		4,583	2,791
		<u>595,760</u>	<u>697,085</u>
Total liabilities		<u>722,126</u>	<u>789,491</u>
Total equity and liabilities		<u><u>1,572,268</u></u>	<u><u>1,543,603</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 General information of the Group

Green Future Food Hydrocolloid Marine Science Company Limited (the “**Company**”) was incorporated on 3 July 2015 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are in the business of manufacturing and sale of food manufacturing hydrocolloid products including carrageenan products, agar-agar products, blended products and konjac products in the People’s Republic of China (the “**PRC**”) and overseas.

The ultimate controlling parties of the Group are Mr. Chan Kam Chung, Mr. Chan Shui Yip, Mr. Guo Songsen, Mr. Guo Dongxu, Mr. Guo Yuansuo and Mr. Guo Donghuang who act in concert under a contractual agreement (the “**Controlling Shareholders**”).

The Company’s shares have been listed on the main board of The Stock Exchange of Hong Kong Limited since 17 October 2019.

These consolidated financial statements are presented in Renminbi (the “**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except otherwise indicated.

These consolidated financial statements have been approved for issue by the board of directors of the Company on 31 March 2025.

2 Basis of preparation and changes in accounting policy and disclosures

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements which are in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 are set out below. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which are carried at fair value.

2.2 Changes in accounting policies

- (i) A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards	Effective for accounting periods beginning on or after
HKAS 1 (Amendments) – Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments) – Non-current liabilities with covenants	1 January 2024
HKFRS 16 (Amendments) – Lease liability in sale and leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments) – Supplier finance arrangements	1 January 2024

2 Basis of preparation and changes in accounting policy and disclosures (continued)

2.2 Changes in accounting policies (continued)

- (ii) Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards	Effective for accounting periods beginning on or after
HKAS 21 (Amendments) – Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments) – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements project – Annual improvements to HKFRS Accounting Standards – volumes 11	1 January 2026
HKFRS 18 (Amendments) – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 (Amendments) – Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is assessing the full impact of the new standard, new interpretations and amendments to standards and interpretations.

3 Revenue and segment information

The Company's executive directors, the chief executive officer, the chief financial officer and the manager for corporate planning are regarded as the Group's chief operating decision maker. The chief operating decision maker examines the Group's performance from a product perspective and has identified five operating segments of its business as follows:

- (i) Manufacturing and sales of agar-agar;
- (ii) Manufacturing and sales of carrageenan;
- (iii) Manufacturing and sales of konjac products;
- (iv) Manufacturing and sales of blended products; and
- (v) Others, such as manufacturing and sales of algae powder and other operations.

The amounts provided to the chief operating decision maker with respect to total assets, total liabilities and capital expenditure are measured in a manner consistent with that of consolidated financial statements. The chief operating decision maker reviews the total assets, total liabilities and capital expenditure at Group level mainly because the manufacturing of the four categories of products of the Group is managed by the same management team and there are certain degree of sharing of production facilities and warehouses, therefore no segment information of total assets, total liabilities and capital expenditure information was presented.

3 Revenue and segment information (continued)

(a) Revenue and segment information

The segment information of the Group during the year is set out as follows:

	Year ended 31 December 2024					Total RMB'000
	Sales of agar-agar RMB'000	Sales of carrageenan RMB'000	Sales of konjac products RMB'000	Sales of blended products RMB'000	Others RMB'000	
Revenue recognised at a point-in time:						
Sales to customers	294,852	487,323	57,522	138,420	11,140	989,257
Cost of sales	(206,676)	(404,378)	(50,004)	(98,981)	(6,760)	(766,799)
Segment results	<u>88,176</u>	<u>82,945</u>	<u>7,518</u>	<u>39,439</u>	<u>4,380</u>	<u>222,458</u>
A reconciliation of results of reportable segments to profit for the year is as follows:						
Results of reportable segments						222,458
Other income						11,557
Other gains – net						2,420
Net impairment losses on financial assets						(989)
Selling and distribution expenses						(20,626)
Administrative expenses						(104,581)
Finance income						686
Finance costs						(30,052)
Profit before income tax						80,873
Income tax expense						(19,996)
Profit for the year						<u>60,877</u>

3 Revenue and segment information (continued)

(a) Revenue and segment information (continued)

	Year ended 31 December 2023					
	Sales of agar-agar RMB'000	Sales of carrageenan RMB'000	Sales of konjac products RMB'000	Sales of blended products RMB'000	Others RMB'000	Total RMB'000
Revenue recognised at a point-in time:						
Sales to customers	298,688	708,251	42,500	124,345	207	1,173,991
Cost of sales	<u>(205,594)</u>	<u>(805,078)</u>	<u>(37,832)</u>	<u>(87,621)</u>	<u>(225)</u>	<u>(1,136,350)</u>
Segment results	<u>93,094</u>	<u>(96,827)</u>	<u>4,668</u>	<u>36,724</u>	<u>(18)</u>	<u>37,641</u>
A reconciliation of results of reportable segments to loss for the year is as follows:						
Results of reportable segments						37,641
Other income						4,476
Other losses – net						(2,565)
Net impairment gains on financial assets						3,168
Selling and distribution expenses						(17,770)
Administrative expenses						(97,349)
Finance income						397
Finance costs						<u>(40,889)</u>
Loss before income tax						(112,891)
Income tax credit						<u>27,447</u>
Loss for the year						<u>(85,444)</u>

3 Revenue and segment information (continued)

(a) Revenue and segment information (continued)

Revenue from external customers by country/region, based on the destination of shipment, is as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
China	475,237	595,174
Europe	286,198	291,632
Asia (excluding China)	161,716	209,794
South America	42,058	50,639
North America	20,647	23,645
Africa	3,212	2,972
Oceania	189	135
Total	<u>989,257</u>	<u>1,173,991</u>

Non-current assets, other than deferred income tax assets, by country/region are as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
China	424,691	423,478
Hong Kong	1,548	399
Indonesia	70,675	75,226
Total	<u>496,914</u>	<u>499,103</u>

3 Revenue and segment information (continued)

(b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers at the balance sheet date:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Contract liabilities	<u>7,500</u>	<u>11,003</u>

Revenue recognised during the year in relation to contract liabilities was as below:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Revenue recognised during the year that was included in the contract liabilities at the beginning of the year	<u>11,003</u>	<u>22,793</u>

For unsatisfied performance obligations, the Group selected to choose a practical expedient and omitted disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

3 Revenue and segment information (continued)

(c) Accounting policies on revenue recognition

Timing of recognition: The Group manufactures and sells carrageenan, agar-agar, konjac products, blended products and other products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A contract liability is recorded as advances from customers for the cash received from the customers before the delivery of goods.

Measurement of revenue: Revenue from sales is based on the price specified in the sales contracts and is shown net of value-added tax and after eliminating sales within the Group. No element of financing is deemed present as the sales are made with a credit term up to 180 days. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4 Expenses by nature

The expenses charged to cost of sales, selling and distribution expenses and administrative expenses are analysed below:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Raw materials and consumables used	598,374	884,780
Changes in inventories of finished goods and work in progress	21,991	(17,166)
Provision for write-down of inventories to net realisable value	23,007	142,424
Employee benefit expenses	117,576	117,866
Amortisation of land use rights	1,244	1,292
Depreciation of property, plant and equipment	44,286	43,038
Amortisation of intangible assets	2,482	2,435
Utility expenses	29,280	31,336
Other taxes and levies	6,337	7,282
Transportation costs	9,223	7,975
Auditors' remuneration		
- annual audit services of the Company's auditor	2,050	2,250
- non-audit services of the Company's auditor (i)	220	220
- statutory audit services of subsidiaries' auditor	251	254
Advertising and exhibition expense	3,094	2,598
Others	32,591	24,885
	<u>892,006</u>	<u>1,251,469</u>
Total	<u>892,006</u>	<u>1,251,469</u>

4 Expenses by nature (continued)

Research and development expenses incurred during the year are as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Employee benefit expenses	10,759	6,701
Raw materials and consumables used	9,792	6,496
Depreciation charges	1,168	1,083
Others	1,089	1,309
	<u>22,808</u>	<u>15,589</u>

- (i) Non-audit service fees totalling RMB220,000 was incurred for assistance provided by the Company's auditor in connection with the Company's annual results announcement and the Company's environmental, social and governance report carried out by separate non-audit team of the Company's auditor (2023: RMB220,000).

5 Income tax expense

This note provides an analysis of the Group's income tax expense and shows how the income tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Current income tax	9,256	8,761
Deferred income tax	10,740	(36,208)
Income tax expense	<u>19,996</u>	<u>(27,447)</u>

5 Income tax expense (continued)

The Group's income tax comprises:

(i) Cayman Islands, British Virgin Islands (“**BVI**”), Indonesia and Hong Kong profits tax

The Company is an exempted company incorporated in the Cayman Islands and is not liable for taxation in the Cayman Islands on its Cayman Islands or non-Cayman Islands income.

The Group's subsidiaries incorporated in BVI are exempted companies and are not liable for taxation in BVI on their BVI or non-BVI income.

The Group's subsidiaries in Indonesia are subject to Indonesian profits tax at the rate of 22% (2023: 22%) on the estimated assessable profits for the year.

The Group's subsidiaries in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year with the certain concession. Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department from the year of assessment 2021/2022 onwards, the first HK\$ 2 million of assessable profits of one of the Group's companies incorporated in Hong Kong under Hong Kong profits tax during the year ended 31 December 2024 is subject to a tax rate of 8.25% (2023: 8.25%). The Group's remaining assessable profits above HK\$ 2 million will continue to be subject to a tax rate of 16.5% (2023: 16.5%).

(ii) PRC corporate income tax (“**CIT**”)

Taxation on PRC income has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group's subsidiaries operate. The Company's subsidiaries incorporated in the PRC are subject to CIT at the rate of 25% (2023: 25%), except for Fujian Province Lvqi Food Colloid Company Ltd. (“**Lvqi (Fujian)**”) and Longhai City Donghaiwan Seaweed Breeding Comprehensive Development Company Limited (“**Donghaiwan**”) which are subject to CIT at the preferential rate of 15% and 15% for 2024 and 2023, respectively.

Lvqi (Fujian) obtained the qualification of certified high and new technology enterprises and has been entitled to preferential income tax rate of 15% since 2015, subject to renewal of the qualification for every three years interval. The latest approval of the qualification is for the period from December 2021 to December 2024.

Donghaiwan is qualified as an agricultural products enterprise and is subject to a CIT reduction of 50% as granted by the local tax bureau, and the CIT rate is 12.5% during 2024 and 2023.

5 Income tax expense (continued)

(iii) PRC withholding income tax

According to the CIT Law, a 10% withholding tax on dividends received/receivable will be levied on the PRC companies' immediate holding companies established out of the PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies. During 2024 and 2023, the holding companies of the Group's subsidiaries in the PRC are Hong Kong incorporated companies and are subject to a withholding income tax rate of 5%.

The Group's subsidiaries in the PRC have undistributed earnings totalled RMB563,217,000 (2023: RMB501,202,000) as at 31 December 2024, which, if paid out as dividends, would be subject to income tax borne by their overseas holding companies. An assessable temporary difference exists, but no deferred income tax liability has been recognised as the parent entities are able to control the timing of distributions from their subsidiaries and the subsidiaries are expected to retain these profits for future development purpose and not to distribute the profits in the foreseeable future.

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the consolidated entities as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Profit/(Loss) before income tax	<u>80,873</u>	<u>(112,891)</u>
Tax calculated at the applicable statutory tax rates in the respective regions	19,056	(27,775)
Adjustment for tax effect of:		
– Expenses not deductible for tax purpose	1,160	186
– Additional deduction of research and development expenses	(1,531)	(1,387)
– Under provision of previous year	500	1,284
– Impact of preferential income tax	(2,879)	(2,668)
– Tax losses for which no deferred income tax asset was recognised	<u>3,690</u>	<u>2,913</u>
Tax charge	<u>19,996</u>	<u>(27,447)</u>

The weighted average applicable statutory tax rate for the year ended 31 December 2024 was 24% (2023: 25%). The effective tax rate for the year ended 31 December 2024 was 25% (2023: 24%).

5 Income tax expense (continued)

(iii) PRC withholding income tax (continued)

The cumulative deductible tax losses that are not recognised for deferred income tax assets will expire as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
2025	550	550
2026	3,758	3,758
2027	2,569	2,569
2028	4,610	4,610
2029	8,855	—
	<u>20,342</u>	<u>11,487</u>

6 Earnings/(Loss) per share

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 835,526,466 (2023: 827,718,222) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, adjusted to reflect the share options issued. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

6 Earnings/(Loss) per share (continued)

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Profit/(Loss) attributable to the ordinary equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculations	<u>62,171</u>	<u>(85,327)</u>
Shares		
	Number of shares	
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in issue during the year used in the basic earnings/(loss) per share calculations	835,526,466	827,718,222
Adjustments for calculation of diluted earnings per share:		
Effect of dilution – weighted average number of ordinary shares: share options	<u>2,043,645</u>	<u>—</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>837,570,111</u>	<u>827,718,222</u>

6 Earnings/(Loss) per share (continued)

Basic and diluted earnings/(loss) per share

	<u>2024</u>	<u>2023</u>
	RMB	RMB
Basic		
– For profit/(loss) for the year	<u>0.074</u>	<u>(0.103)</u>
Diluted		
– For profit/(loss) for the year	<u>0.074</u>	<u>(0.103)</u>

Diluted loss per share for loss attributable to owners of the Company for the years ended 31 December 2023 was the same as basic loss per share because the impact of the exercise of share options is anti-dilutive.

7 Dividends

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Paid final dividend of HK\$ Nil cent (2023: HK\$ 3 cents) per ordinary share	<u>—</u>	<u>22,433</u>

Dividends relating to the year ended 31 December 2022, amounting to approximately RMB22,433,000, were paid in July 2023.

The above dividends were distributed out of the share premium account of the Company.

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Proposed final dividend of HK 1.2 cent (2023: HK nil) per ordinary share	<u>9,713</u>	<u>Nil</u>

A final dividend in respect of the year ended 31 December 2024 of HK 1.2 cent (2023: nil) per share, amounting to a total of HK\$10,489,440 (approximately RMB9,713,000) (2023: nil), was proposed by the board of directors of the Company on 31 March 2025 and is subject to approval by the Company's shareholders in the forthcoming annual general meeting of the Company. The proposed dividend will be distributed out of the share premium account of the Company. These financial statements do not reflect this as dividend payable.

8 Trade and other receivables

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Trade receivables	114,636	86,290
Less allowance provision	(1,883)	(894)
	<u>112,753</u>	<u>85,396</u>
Prepayments for purchases of raw materials	12,095	5,800
Export tax rebate receivables and deductible value-added tax	10,568	29,935
Other receivables	14,120	6,206
	<u>36,783</u>	<u>41,941</u>
Total	<u>149,536</u>	<u>127,337</u>

8 Trade and other receivables (continued)

(i) Ageing analysis of trade receivables

The ageing analysis of the trade receivables as at the 31 December 2024 based on invoice date was as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Up to 30 days	60,328	44,154
31 to 90 days	33,554	33,438
91 to 180 days	4,502	7,884
181 to 365 days	14,268	232
Over one year	1,984	582
	<u>114,636</u>	<u>86,290</u>

(ii) Impairment of trade receivables

For trade receivables, the Group applies the simplified approach to provide for expected credit losses as prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before balance sheet date and the corresponding historical credit losses experienced within this period.

8 Trade and other receivables (continued)

(ii) Impairment of trade receivables (continued)

The loss allowance provision of trade receivables as at 31 December 2024 is as follows:

	Within 3 months RMB'000	4-6 months RMB'000	7-9 months RMB'000	10-12 months RMB'000	Over 1 year RMB'000	Over 2 years RMB'000	Total RMB'000
At 31 December 2024							
Expected loss rate	0.17%	1.47%	6.39%	10.79%	16.56%	100.00%	
Gross carrying amount	93,882	4,502	13,888	380	1,504	480	114,636
Loss allowance provision	<u>160</u>	<u>66</u>	<u>887</u>	<u>41</u>	<u>249</u>	<u>480</u>	1,883
Individually impaired receivables							<u>—</u>
Total allowance							<u><u>1,883</u></u>
At 31 December 2023							
Expected loss rate	0.23%	2.06%	7.35%	12.34%	23.66%	100.00%	
Gross carrying amount	77,592	7,884	232	—	60	522	86,290
Loss allowance provision	<u>179</u>	<u>162</u>	<u>17</u>	<u>—</u>	<u>14</u>	<u>522</u>	894
Individually impaired receivables							<u>—</u>
Total allowance							<u><u>894</u></u>

Impairment losses are recognised in profit or loss within net impairment losses on financial assets. Receivables for which an impairment allowance recognised are written off against the allowance when there is no reasonable expectation of recovering additional cash. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 24 months.

8 Trade and other receivables (continued)

(ii) Impairment of trade receivables (continued)

As at 31 December 2024, the loss allowance provision for trade receivables are reconciled to the opening loss allowance for that provision as follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
At 1 January	894	4,165
Increase/(decrease) in loss allowance recognised in profit or loss during the year	989	(3,168)
Written-off of uncollectible receivables	<u>—</u>	<u>(103)</u>
At 31 December	<u>1,883</u>	<u>894</u>

During the year ended 31 December 2024, the following (losses)/gains were recognised in profit or loss in relation to impaired receivables.

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Reversal for individually impaired receivables	—	925
(Provisions)/reversal according to the expected credit losses matrix	<u>(989)</u>	<u>2,243</u>
Net impairment (losses)/gains	<u>(989)</u>	<u>3,168</u>

8 Trade and other receivables (continued)

(iii) Impairment of other financial assets at amortised cost

Other financial assets at amortised cost include other receivables.

All of these financial assets are considered to have a low risk of default and each of the counterparties has a strong capacity to meet its contractual cash flow obligations in the near term, hence the Group considered them to have low credit risk, and thus the impairment provision recognised is limited to 12 months expected losses.

The Group has assessed that the expected credit losses for these financial assets are not material under the 12 months expected losses method. Thus, no loss allowance provision was recognised during the year (2023: nil). The Group does not hold any collateral in relation to these other receivables.

(iv) Fair values of trade and other receivables

The carrying amounts of the Group's trade and other receivables approximated their fair values as at the balance sheet date due to their short term nature.

The carrying amounts of the Group's trade and other receivables (including prepayments) are denominated in the following currencies:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
USD	49,472	17,808
RMB	97,274	105,964
HK\$	463	367
Other currencies	2,327	3,198
	<u>149,536</u>	<u>127,337</u>

9 Trade and other payables

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Trade payables	93,302	103,713
Contract liabilities - advance receipts from customers (note 3(b))	7,500	11,003
Payables for property, plant and equipment	3,873	6,916
Employee benefit payables	8,094	9,211
Other taxes payable	3,660	3,107
Others	12,813	27,235
	<u>129,242</u>	<u>161,185</u>

Trade payables are usually paid within 90 days of recognition. The ageing analysis of trade payables as at 31 December 2024 based on invoice date was follows:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
0-90 days	67,896	78,695
91-180 days	16,959	21,071
181-365 days	8,447	3,947
	<u>93,302</u>	<u>103,713</u>

The carrying amounts of the Group's trade and other payables approximated their fair values as at the balance sheet date due to their short term nature.

9 Trade and other payables (continued)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
RMB	83,224	105,589
USD	37,517	45,089
HK\$	765	838
IDR	7,736	9,669
	<u>129,242</u>	<u>161,185</u>

MARKET LEADERSHIP

Green Future Food Hydrocolloid Marine Science Company Limited (the “Company” which, together with its subsidiaries, is referred collectively as, the “Group”) is a leading producer of seaweed-based and plant-based hydrocolloid products in the People’s Republic of China (the “PRC”) as well as the global markets. The Group has maintained a leading position in the market, ranking first in terms of the sales value, sales volume and the related market shares among manufacturers of agar-agar products and refined and semi-refined carrageenan products in the PRC since 2020 and up to 2024. Additionally, the Group is recognized as the largest global manufacturer of these products during these years, according to a report prepared by Frost & Sullivan in March 2025. The products of the Group, including agar- agar, carrageenan, blended products and konjac gum, provide a wide range of functional properties such as thickening, water-retention and separation medium functions for various end-products, such as processed food, cosmetics and biomedical products, and are included in the main contents of many health foods for their rich soluble dietary fibers. In addition, the Group has set out a good step to expand its business into the technically demanding and commercially attractive blended products market which are able to address different needs and functionality requirements of the end-products.

BUSINESS DEVELOPMENT STRATEGY

Distinguished from other conventional manufacturers, the Group is positioned itself to be a long-term partner of its customers in the supply chain of raw materials and certain product development process of its customers. This business cooperation is important in building long-term customer’s relationship. Moreover, through its product research and development efforts, the Group also supports the development of new applications and new end-products by its customers. These business collaboration efforts are part of the long-term business development strategies of the Group and help the Group to secure business orders from its customers.

BUSINESS REVIEW

During FY2024, the economies of China and European countries – two major markets for the Group – showed differing performances amidst ongoing challenges. On one hand, the Group saw an increase in demand for carrageenan products in the European market, driven by improvements in the end-products market. On the other hand, the Chinese market underperformed in terms of sales orders during FY2024, largely due to a lack of momentum in the end-products market, causing the market prices of carrageenan products to remain persistently low. Despite a decrease in year-round average sales prices across all major product lines in both the China and European markets in FY2024, as compared to FY2023, the selling price of carrageenan products has exhibited a slight upward trend at the end of FY2024 surpassing that of FY2023. Coupled with the lowered average inventory costs resulting from the decrease in seaweed prices during the year, this led to a substantial decrease in inventory provision in FY2024, as compared to FY2023. Moreover, the inventory provision made against our carrageenan products in the previous year was mostly transferred out alongside the sales of the underlying products during FY2024, which essentially fueled the improvement of the year's profitability.

Furthermore, the decrease in interest rate of Renmibi (“**RMB**”) denominated loans and the decrease in the average draw-down balance of United States dollars (“**USD**”) and Hong Kong dollars (“**HKD**”) denominated loans due to the decrease in the seaweed prices resulted in the decrease in the Group's finance cost for FY2024, as compared to FY2023. As a composite effect of the aforesaid factors, the Group has achieved an impressive uplifting of gross profit margin for carrageenan products and hence brought about the turnaround of the Group's after-tax net profit in FY2024, as compared to FY2023.

ONGOING INVESTMENT IN PRODUCT TECHNOLOGY

The Group sets out its long-term goal of offering products carrying higher level of product technology which enables us to differentiate from its competitors in meeting the changing needs of customers. Through our ongoing investment in product research and development capability, the Group has been able to enhance product mix and hence profitability in a sustainable manner. For instance, blended products provide customers with readily usable food additives solution which carries added values leading to higher profit margin as compared to that of hydrocolloid products in single-component form. Besides, quick-dissolve agar-agar used in dairy products and deep- processed carrageenan products used in bakery products are products with ample market potential and the Directors believe that these products shall become key contributors to the enhancement of the Group's profit margin in the foreseeable future. Furthermore, konjac gum has become a key ingredient of various health foods for its rich soluble dietary fibers, and its development is on the momentum. As for the daily necessities, the markets for gel-type air fresheners and beauty products such as facial masks were further developed during FY2024. Last but not the least, the launching of seaweed-based 100% biodegradable algae membrane as alternative to plastics for a wide array of applications is viewed as a strategic move of the Group to capitalise the global decarbonisation opportunity for the coming decades. The Directors expect that the diversity in the end products and the applications will be key areas for business expansion in the future.

BUSINESS PROSPECTS

While the divergent development of the Group's major markets which restrained the overall resurgence of the Group's business performance in FY2024, global demand for hydrocolloid products is expected to pick up in the foreseeable future. Due to the prolonged decrease in the selling price of seaweeds, the price of carrageenan products—evidenced by the increase in year-end selling prices—is expected to bottom out and gradually rise in the foreseeable future. This trend is likely to drive up demand from customers. Moreover, the Directors expect that sales performance in the PRC will improve in the near future, and the upward trend of blended products will continue as through the unwavering efforts to build overseas sales networks, consequently, the sales revenue of blended products has demonstrated a compound annual growth rate of 17% from 2021 to 2024. Given that the key applications of hydrocolloid products encompass essential consumer goods such as food, household items, and skincare products, there is consistently strong demand. The Group will benefit from the advantages it has established over the years as an industry leader.

In terms of the Group's effort to diversify the geographical location of the production facilities as well as ongoing endeavor in cost-reductions, the Group's subsidiary, PT Hongxin Algae International ("**Hongxin**"), a company incorporated in Indonesia engaged principally in the manufacture of semi-refined carrageenan with clear advantages in lower operating cost and proximity to seaweed resources, has maintained its production scale on one hand and invested in the continuous enhancement of production facilities on the other with the aim to step up further its product quality as well as cost competitiveness in the foreseeable future.

Looking ahead, the prospects for hydrocolloid products are promising. The Group is committed to driving sustainable business growth and improving returns on investments by leveraging its strengths in scale and technical expertise.

FINAL DIVIDEND

In order to share the operating results of the Company with our shareholders (the “**Shareholders**”), the Directors recommended a payment of a final cash dividend of HK1.2 cent per share for the year ended 31 December 2024, which demonstrated the Company’s continuous efforts in attaining the target dividend payout each year after considering the available resources of HK\$10.5 million.

FINANCIAL REVIEW

The Group’s net profit for FY2024, was RMB60.9 million, compared to a net loss of RMB85.4 million for FY2023, representing an increase of RMB146.3 million. Further analysis on the operating results of the Group is set out below.

REVENUE

During FY2024, the Group’s revenue was RMB989.3 million (2023: RMB1,174.0 million), decreased by RMB184.7 million or 15.7% as compared to FY2023. The decrease in the Group’s sales revenue was mainly attributed to the significant decrease in the sales revenue of carrageenan products by approximately RMB220.9 million or 31.2%, caused mainly by the decrease in the year-round selling price of seaweed materials during FY2024, which is the key determinant of the selling price of the Group’s carrageenan products, as compared to FY2023. As stated in the Company’s annual report for the year ended 31 December 2023, after a wave of substantial increase in the selling price of seaweed and hence that of carrageenan in 2022, the selling price of both decreased throughout 2023 due to the setback in demand caused by the reduction of safety stock levels coupled with the economic slow-down emerged in most European countries during FY2023. The sales revenue of agar-agar and carrageenan products decreased by RMB220.9 million or 31.2% and RMB3.8 million or 1.3%, respectively during FY2024, as compared to FY2023. The two major products contributing a total of 79.1% of the Group’s total sales revenue of the year, represented a decrease of 6.7% as compared to FY2023. This was mainly due to the decrease in the sales revenue of carrageenan products alongside the increase in sales revenue of konjac products and blended products by a total of RMB29.1 million or 17.4% during FY2024.

During FY2024, the sales value in the PRC and the overseas markets accounted for 48.0% and 52.0% of the Group's total sales value, respectively (2023: 50.7% and 49.3%). Sales value in the PRC market amounted to RMB475.2 million for FY2024, decreased by RMB119.9 million or 20.1% as compared to FY2023. Sales value in the overseas market amounted to RMB514.0 million for FY2024, decreased by RMB64.8 million or 11.2% as compared to FY2023. Within the sales value in the overseas market, the total value of products sold to Asian countries decreased by RMB48.1 million or 22.9%, while the total value of products sold to South America decreased by RMB8.6 million or 16.9%, caused mainly by the decrease in selling price.

COST OF SALES

For FY2024, the Group's cost of sales was RMB766.8 million (2023: RMB1,136.4 million), representing a decrease of RMB369.6 million or 32.5%. This cost primarily comprised raw materials (seaweed and konjac), ancillary materials, and production costs. The decrease in cost of sales during FY2024 was partly attributed to a 6.8% decline in the sales volume of carrageenan products, and to a large extent attributable to the decrease in the cost of inventory sold for carrageenan products, driven by the continuous decline in market prices for seaweeds throughout the year, as well as the substantial effect of the transferring out of inventory provision made in the previous year alongside the sales of the underlying carrageenan products during FY2024.

GROSS PROFIT AND GROSS PROFIT MARGIN

For FY2024, the gross profit of the Group was RMB222.5 million (2023: RMB37.6 million), representing an increase of RMB184.9 million or 491.8%. The overall gross profit margin for FY2024 was 22.5%, representing an increase of 19.3 percentage points as compared to FY2023.

During FY2024, the gross profit margin of carrageenan and konjac products were increased by 30.7 percentage points and 2.1 percentage points, respectively, as compared to FY2023. On the other hand, the gross profit margin of agar-agar and blended products were decreased by 1.3 percentage points and 1.0 percentage points, respectively in FY2024, as compared to FY2023. As an analysis, the increase in the overall gross profit margin was mainly due to a significant increase of 30.7 percentage points in the gross profit margin of carrageenan products, resulting from the slight upward trend of the selling price of carrageenan products at the end of FY2024 surpassing that of FY2023. Coupled with the lowered average inventory costs resulting from the decrease in seaweed prices during the year, this led to a substantial decrease in inventory provision in FY2024, as compared to FY2023. Moreover, a major part of the inventory provision made against our carrageenan products in the previous year amounting to RMB131.8 million was transferred out alongside the sales of the underlying products during FY2024, which essentially fueled the improvement of the year's profitability.

NET PROFIT

The net profit of the Group for FY2024 increased by RMB146.3 million to RMB60.9 million, as compared to the net loss of RMB85.4 million for FY2023. The increase in the net profit for FY2024, as compared to that of gross profit, was by a lesser extent of RMB38.6 million due to the increase of other income and other gains and the decrease in finance costs incurred for FY2024 of RMB12.1 million and RMB10.8 million, respectively. Such positive effect was fully off-set by the increase in net impairment losses, selling and distribution expenses, administrative expenses and income tax incurred for the year of RMB4.1 million, RMB2.9 million, RMB7.2 million and RMB47.4 million, respectively.

SELLING AND DISTRIBUTION EXPENSES

For FY2024, the selling and distribution expenses of the Group were RMB20.6 million (2023: RMB17.8 million), representing an increase of RMB2.8 million or 15.7%. The increase was mainly due to the increase in the number of sales representatives located overseas for market development. Besides, during FY2024, the Company has participated in an increased number of trade shows held locally and overseas, as well as increased number of customer visits with corresponding increase in travelling and accommodation expenses.

ADMINISTRATIVE EXPENSES

During the FY2024, the administrative expenses of the Group were RMB104.6 million (2023: RMB97.3 million), representing an increase of RMB7.3 million or 7.5%, which was mainly attributable to the increase in materials consumed in respect of the Group's research and development function.

NET FINANCE COSTS

During the FY2024, the finance income and costs of the Group were RMB686,000 and RMB30.1 million, respectively, (2023: RMB397,000 and RMB40.9 million), representing an increase of RMB289,000 for finance income and a decrease of RMB10.8 million or 26.4% for finance costs. The increase in finance income was directly linked to the amount and duration of bank deposit made during FY2024, while the decrease in finance costs was due to the decrease in interest rate on RMB denominated loans as well as the decrease in the average draw-down balance of USD and HKD denominated loans during FY2024 as a result of the continuous decrease in the selling price of seaweeds.

INCOME TAX EXPENSES

During FY2024, the income tax expense of the Group was RMB20.0 million (2023: RMB27.4 million tax credit), representing an increase of RMB47.4 million. The significant increase was mainly due to the turnaround of taxable profit to the level of RMB80.9 million for FY2024, as compared to the pre-tax loss of RMB112.9 million recorded in FY2023. The income tax expenses was increased further due to the reversal of deferred tax assets provided in respect of the inventory provision made in FY2023.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax	9,256	8,761
Deferred income tax/(credit)	10,740	(36,208)
Income tax expense/(credit)	<u>19,996</u>	<u>(27,447)</u>

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

For FY2024, profit attributable to owners of the Company was RMB62.2 million (2023: net loss attributable to owners of the Company RMB85.3 million), representing an increase of RMB147.5 million, as a result of the increase in corresponding magnitude in the net profit of the Group for FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2024, the Group's cash and bank balances amounted to RMB141.4 million, representing an increase of RMB57.1 million or 67.7% from 31 December 2023. The financial ratios of the Group as of 31 December 2024 were as follows:

	As at 31 December 2024	As at 31 December 2023
Current ratio	1.74	1.43
Gearing ratio ¹	34.3%	41.2%

Note 1: Gearing ratio is calculated as net debt divided by total of net debt and equity.

Net Current Assets

As of 31 December 2024, the Group's net current assets were RMB442.9 million, reflecting an increase of RMB143.3 million or 47.8% from RMB299.6 million as of 31 December 2023. This increase was primarily due to a reduction of RMB71.4 million in short-term bank loans and RMB31.9 million in accounts payable, along with increases of RMB22.2 million in accounts receivable and RMB57.1 million in cash and bank balances. However, these gains were partially offset by a decrease of RMB37.3 million in inventories. Overall, these changes had a composite effect on the net current assets across the years.

Borrowing

As of 31 December 2024, the total bank borrowings of the Group amounted to RMB544.6 million, of which RMB460.6 million shall be repaid within one year and RMB84.0 million shall be repaid after one year. The carrying amounts of bank borrowings were denominated in HKD, USD and Renminbi (“RMB”).

The Group did not use any financial instruments for hedging purposes and did not have any net foreign currency investments hedged against existing borrowings and/or other hedging instruments. For FY2024, the weighted average interest rate on bank borrowings was 5.22% per annum (FY2023: 5.73%).

INTEREST RATE RISK

The interest rate risk of the Group arises from short-term interest-bearing deposits and bank borrowings. The Group is exposed to the interest rate risk of cash flow on short-term deposits and bank borrowings at the variable rate. Bank borrowings obtained at fixed interest rates expose the Group to fair value interest rate risk.

The Group does not have any significant interest-bearing assets other than short-term interest-bearing deposits. The Directors do not expect any material impact on interest-bearing assets from interest rate movement, as interest rates on short-term deposits are not expected to fluctuate substantially.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group adopts a conservative approach to cash management and fund investment. Its receipts and payments are primarily denominated in RMB and USD, which allows for a good degree of natural hedging against foreign currency exposure. The Group will closely monitor foreign exchange fluctuations and will consider hedging if needed. In FY2024, the Group did not use any financial instruments for hedging purposes.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the Group had 1,148 full-time employees, of whom 961 were based in Mainland China and 187 were based in Hong Kong and other countries and territories.

The management of the Group maintains good working relationship with its employees and provides training to keep the employees abreast of the latest developments of its products and production processes. Remuneration packages offered to the Group's employees are generally competitive and consistent with the prevailing levels in the market and are reviewed on a regular basis. Apart from basic remuneration and statutory retirement benefit scheme, discretionary bonuses and share award may be provided to selected employees taking into consideration the Group's performance and the performance of the individual employee.

MATERIAL ACQUISITIONS AND DISPOSALS

On 31 October 2024, Green Fresh (Fujian) Foodstuff Co., Ltd., a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company ("**Green Fresh**"), Xiamen Xunyicai Investment Consulting Co., Ltd. ("**Xiamen Xunyi**"), a company established in the PRC with limited liability, Mr. Weng Wu Yin ("**Mr. Weng**") and Zhangzhou City Longhai District Xinwan Industrial Investment Company Limited, a company established in the PRC with limited liability ("**Xinwan Investment**") entered into an investment agreement, pursuant to which Xinwan Investment agreed to inject not more than RMB63.85 million into Xiamen Blue Ocean Algae Membrane Technologies Co., Ltd. ("**Blue Ocean**" which was later renamed as Blue Ocean Algae Membrane (Fujian) Biotechnology Co., Ltd), a company established in the PRC with limited liability and owned as to 60% by Green Fresh, 30% by Xiamen Xunyi and 10% by Mr. Weng right before the issuance of new shares, and Green Fresh has agreed to simultaneously inject RMB27.77 million into the Blue Ocean.

After completion of the registration of capital injection and the incidental capital reduction in Blue Ocean as stipulated in the investment agreement, Xinwan Investment is interested in approximately 49.00% of the enlarged equity interest in Blue Ocean and Green Fresh is interested in approximately 46.68% of the enlarged equity interest in Blue Ocean. Therefore, the Group's interest in Blue Ocean was diluted from 60.00% to approximately 46.68%, representing a decrease of 13.32%. Such dilution constituted a deemed disposal of subsidiary under the Listing Rules.

Save as disclosed in the above, the Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during FY2024.

PLEDGE OF ASSETS

As of 31 December 2024, the Group's bank borrowings were secured by the pledge of the Group's land use rights and buildings with a carrying value of RMB87.2 million (31 December 2023: RMB92.4 million). As of 31 December 2024, the amount of secured bank borrowings was RMB169.7 million (31 December 2023: RMB136.2 million).

CAPITAL EXPENDITURES

The capital expenditures primarily comprise cash expenditures for plant, equipment and land-use-rights. The capital expenditures for the years ended 31 December 2024 and 2023 were RMB48.0 million and RMB11.8 million, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As part of the Group's business strategy of diversifying production facilities geographically for enhancement of cost competitiveness, the Group is expected to invest further in the expansion of production capacity of Hongxin in the foreseeable future financed by internal resources.

Save as disclosed above, the Group did not have other future plans for material investments or capital assets.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group's capital commitments in respect of those that have been contracted for as of 31 December 2024 and 31 December 2023 amounted to RMB9.5 million and RMB29.6 million, respectively.

The Group did not have any material contingent liabilities as of 31 December 2024.

LEASE LIABILITIES

Lease liabilities are related to building of the Group.

	As at 31 December 2024	As at 31 December 2023
	RMB'000	RMB'000
Minimum lease payments:		
Within one year	1,424	1,396
Later than 1 year and no later than 5 years	2,345	1,768
	3,769	3,164
Future finance charges	(235)	(314)
Total lease liabilities	3,534	2,850

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

Prior to the listing of the Company on the Stock Exchange, the Group adopted the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 5 August 2018 to recognise the important contributions of related employees and individuals. On 9 August 2018, the Company granted share options for 34,120,000 shares of the Company (the “**Shares**”) upon exercise under the Pre-IPO Share Option Scheme. On 21 May 2024, the Board accepted the exercise of an aggregate of 4,432,000 share options by the participants of the Pre-IPO Share Option Scheme involving a total of 4,432,000 Shares, and the Shares were issued on 24 June 2024. Subsequent to the exercise of the aforesaid Pre-IPO share options, no outstanding Pre-IPO share option was subsisted as of 31 December 2024. Save as disclosed above, no option had been granted, exercised, lapsed or cancelled during FY2024 under the Pre-IPO Share Option Scheme.

The Group adopted the post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”) on 25 September 2019. During the FY2024, no option had been granted, exercised, lapsed or cancelled under the Post-IPO Share Option Scheme.

The Group adopted the share award scheme (the “**Share Award Scheme**”) on 10 July 2020 for recognising and rewarding the contribution of the selected participants to the business growth of the Group. During FY2024, no Shares have been purchased on-market by the trustee (the “**Trustee**”) of the Share Award Scheme as part of the shares pool under the Share Award Scheme (2023: 544,000) and the total consideration paid for the purchased Shares was HK\$Nil (2023: HK\$482,000). On 21 May 2024, a further of 3,800,000 awarded shares were granted to a total of five grantees in addition to the three grantees enlisted in previous years. An aggregate of 1,620,000 awarded shares were vested during FY2024. Save as disclosed above, no awarded share has been granted, vested, lapsed or cancelled during the FY2024 under the Share Award Scheme.

CAPITAL STRUCTURE

On 5 August 2024, the Company, as the issuer, entered into the subscription agreement with the subscriber “Power Partner Capital Limited”, pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 40,000,000 subscription shares at the subscription price of HK\$0.81 per subscription share. The net proceeds of the subscription, after deduction of all relevant expenses, was amounted to HK\$32.34 million. The share subscription was completed on 23 August 2024.

Saved as disclosed above, there has been no change in the capital structure of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules) during FY2024. As at 31 December 2024, the Company has no treasury shares (as defined under the Listing Rules).

EVENTS AFTER THE REPORTING DATE

There was no significant event affecting the Group which occurred after 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE

Compliance With the Corporate Governance Code

The Company believes that good corporate governance can enhance its overall effectiveness, and thus create additional value for our shareholders. The Company is committed to maintaining high standards and has applied the principles that are set forth in the Corporate Governance Code (the “**CG Code**”) in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company’s corporate governance practices are based on these principles. The Board believes that good corporate governance standards are essential in contributing to the provision of a framework for the Company to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies and enhance transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company’s corporate governance practices since its listing.

The Directors confirmed that the Company has complied with the applicable code provisions of the CG Code during the FY2024, except for the deviation from code provision C.2.1 of the CG Code as described below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. CHAN Kam Chung (“**Mr. CHAN**”) is the Chairman and Chief Executive Officer of the Group. Mr. CHAN is responsible for formulating overall strategic planning and business strategies and implementing major development policies and initiatives for the business development of the Group as a whole. Mr. CHAN’s vision and leadership have played a pivotal role in the Group’s success and achievements to date, and therefore the Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The Group’s long-serving and outstanding senior management team and the Board, which comprise experienced and high-caliber individuals, provide a check on balance of power and authority. The Board comprises five executive Directors (including Mr. CHAN) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

Compliance With Model Code For Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the directors of the Company. Having made specific enquiry of all the directors of the Company, the Company confirms that the directors of the Company have complied with the required standard set out in the Model Code for the year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the FY2024 as set forth in this preliminary announcement have been agreed by the Company’s auditor, PricewaterhouseCoopers, to the amounts set forth in the Group’s consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Board consists of three independent non-executive directors, namely Mr. HO Kwai Ching, Mark, Mr. NG Man Kung and Mr. HU Guohua. Mr. HO Kwai Ching, Mark currently serves as the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advise in respect of financial reporting at least at half-year intervals, and oversee the risk management policies and internal control procedures of the Group constantly. The Audit Committee has adopted the terms of reference which are in line with the applicable code provisions in the CG Code. The Audit Committee has reviewed the Group’s annual results for the FY2024, the consolidated audited financial statements for the FY2024 and this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS FOR ENTITLEMENT OF DIVIDEND AND ATTENDING THE MEETING

For the purpose of determining Shareholder's eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 2 June 2025.

For the purpose of ascertaining Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 12 June 2025 to Monday, 16 June 2025, both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Wednesday, 11 June 2025.

FINAL DIVIDEND

The Directors propose a final cash dividend for the year ended 31 December 2024 of HK1.2 cent per share to the Shareholders for the FY2024 (FY2023: HK\$Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the directors of the Company, the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 December 2024 and up to the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the FY2024 containing all the information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be published on the websites of the Company (www.greenfreshfood.com) and the Stock Exchange (www.hkexnews.hk) and despatched to the Shareholders in due course.

OUR APPRECIATION

Lastly, we would like to express the sincere gratitude to the shareholders of the Company and the suppliers and customers of the Group for their unwavering support. We would also like to thank our dedicated staff for their hard work and contribution to the Group over last year.

By order of the Board

**GREEN FUTURE FOOD HYDROCOLLOID
MARINE SCIENCE COMPANY LIMITED**

CHAN Kam Chung

Chairman and Chief Executive Officer

Hong Kong, 31 March 2025

As of the date of this announcement, the executive Directors are Mr. CHAN Kam Chung, Mr. GUO Dongxu, Mr. CHAN Shui Yip, Mr. SHE Xiaoying and Ms. CHEN Yi; and the independent non-executive Directors are Mr. HO Kwai Ching, Mark, Mr. NG Man Kung and Mr. HU Guohua.