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GREEN FRESH BIOTECHNOLOGY COMPANY LIMITED

綠新生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01084)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board is pleased to announce the audited consolidated financial results of the Group for FY2025 as follows:

- Revenue amounted to RMB904.7 million, decreased by RMB84.6 million or 8.6% as compared to RMB989.3 million for FY2024.
- Gross profit amounted to RMB167.2 million and the gross profit margin was 18.5%, decreased by RMB55.3 million and 4.0 percentage points, as compared to RMB222.5 million and 22.5%, respectively, for FY2024.
- Net profit amounted to RMB5.4 million and the net profit margin was 0.6%, decreased by RMB55.5 million and 5.6 percentage points, as compared to the net profit of RMB60.9 million and net profit margin of 6.2%, respectively, for FY2024.

The Directors propose the payment of a final cash dividend for the year ended 31 December 2025 of HK1.2 cents per share, subject to the approval of the Shareholders at the AGM.

The board (the “**Board**”) of directors (the “**Directors**”) of Green Fresh Biotechnology 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 2025 (the “**FY2025**”), together with the comparative figures for the year ended 31 December 2024 (the “**FY2024**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Revenue	3	904,690	989,257
Cost of sales	4	(737,465)	(766,799)
Gross profit		167,225	222,458
Other income		6,478	11,557
Other gains/(losses) – net		(1,393)	2,420
Net impairment losses on financial assets		(1,299)	(989)
Selling and distribution expenses	4	(25,926)	(20,626)
Administrative expenses	4	(110,514)	(104,581)
Operating profit		34,571	110,239
Finance income		286	686
Finance costs		(27,734)	(30,052)
Finance costs – net		(27,448)	(29,366)
Profit before income tax		7,123	80,873
Income tax expense	5	(1,754)	(19,996)
Profit for the year		5,369	60,877
Profit for the year attributable to:			
Owners of the Company		6,588	62,171
Non-controlling interests		(1,219)	(1,294)
		5,369	60,877
Earnings per share for profit attributable to owners of the Company			
Basic earnings per share (RMB)	6	0.008	0.074
Diluted earnings per share (RMB)	6	0.008	0.074

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year	5,369	60,877
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss:</i>		
– Currency translation differences	3,906	(7,044)
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
– Currency translation differences	(4,251)	3,542
Total comprehensive income for the year	<u>5,024</u>	<u>57,375</u>
Total comprehensive income for the year is attributable to:		
Owners of the Company	6,885	58,672
Non-controlling interests	(1,861)	(1,297)
	<u>5,024</u>	<u>57,375</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

	As at 31 December	
Note	2025	2024
	RMB'000	RMB'000
Assets		
Non-current assets		
Land use rights	50,757	52,593
Property, plant and equipment	362,137	372,947
Intangible assets	63,740	67,143
Prepayments for non-current assets	1,671	4,231
Deferred income tax assets	40,528	36,669
	<u>518,833</u>	<u>533,583</u>
Current assets		
Inventories	838,336	747,713
Trade and other receivables	8 166,782	149,536
Restricted cash	19,716	20,702
Cash and cash equivalents	88,635	120,734
	<u>1,113,469</u>	<u>1,038,685</u>
Total assets	<u><u>1,632,302</u></u>	<u><u>1,572,268</u></u>
Equity		
Equity attributable to owners of the Company		
Share capital	7,892	7,892
Other reserves	277,643	285,052
Shares held for the share award scheme	(8,412)	(8,797)
Retained earnings	561,570	555,723
	<u>838,693</u>	<u>839,870</u>
Non-controlling interests	<u>8,411</u>	<u>10,272</u>
Total equity	<u><u>847,104</u></u>	<u><u>850,142</u></u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2025

		As at 31 December	
	Note	2025	2024
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings	10	96,127	100,995
Lease liabilities	10	6,029	2,196
Deferred income		16,695	19,318
Deferred income tax liabilities		3,359	3,857
		<u>122,210</u>	<u>126,366</u>
Current liabilities			
Trade and other payables	9	167,760	129,242
Bank borrowings	10	488,874	460,597
Lease liabilities	10	1,818	1,338
Current income tax liabilities		4,536	4,583
		<u>662,988</u>	<u>595,760</u>
Total liabilities		<u>785,198</u>	<u>722,126</u>
Total equity and liabilities		<u>1,632,302</u>	<u>1,572,268</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 General information of the Group

Green Fresh Biotechnology Company Limited (the “**Company**”, formerly known as Green Future Food Hydrocolloid Marine Science Company Limited) 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 English name and the dual foreign name in Chinese of the Company were changed from “Green Future Food Hydrocolloid Marine Science Company Limited” to “Green Fresh Biotechnology Company Limited” and from “綠新親水膠體海洋科技有限公司” to “綠新生物科技有限公司” respectively with effect from 10 June 2025 subsequent to the passing of a special resolution for approval of the change by the shareholders at an extraordinary general meeting held on 6 June 2025.

The address of the Company’s 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 30 March 2026.

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 HKFRS Accounting Standards as 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.

Going concern

For the year ended 31 December 2025, the Group had profit for the year of RMB5.4 million, a decrease of RMB55.5 million from 2024. The Group’s cash inflow from operations decreased from RMB128.7 million for the year ended 31 December 2024 to RMB7.0 million for the year ended 31 December 2025. As of 31 December 2025, the Group had total bank borrowings of RMB566.6 million, out of which RMB488.9 million was due for repayment in the next twelve months. In addition, in December 2025, the Group has obtained one-time waivers from the relevant banks in respect of a total debt amount of RMB125.6 million, for the requirement to comply with certain financial covenants for the financial year ended 31 December 2025.

The management of the Company has prepared a cash flow forecast covering no less than twelve months from the date of these financial statements (“**Cash Flow Forecast**”) by carefully considering the Group’s available sources of financing and its operating performance and assessing whether the Group will have sufficient financial sources to continue as a going concern for at least the next twelve months from 31 December 2025. The Directors of the Company have reviewed the Cash Flow Forecast.

The following plans and measures have been implemented to mitigate the liquidity pressure and to improve the financial position of the Group and have been reflected in the Cash Flow Forecast:

- (a) The Group will continue to implement stringent monitoring of financial covenant adherence across all borrowings. In the event of potential non-compliance of covenant terms, management will proactively engage with relevant banks to seek waivers. The Group expects to continue to obtain such waivers from banks if those covenant terms are not met in the next twelve months;
- (b) The Group has been continuously able to renew bank loan facilities to secure source of financing. The Directors of the Company are confident that the Group will be able to draw down from the facilities and renew the bank borrowings when needed; and
- (c) The Group expects to improve its operating cash flows for the next twelve months by implementing various strategies to accelerate the turnover of inventories and to implement cost savings measures to improve the liquidity level.

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

2.1 Basis of preparation (continued)

Going concern (continued)

The Cash Flow Forecast incorporates assumptions about future events and conditions are subject to inherent uncertainties, including the continuing waivers for covenant terms and renewal of banking facilities. The Directors, after due consideration of the basis of the above assumptions and the Group's plans and measures to mitigate the liquidity pressure, are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis.

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 21 (Amendments) - Lack of Exchangeability	1 January 2025

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 2025 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
HKFRS 9 and HKFRS 7 (Amendments) - Amendments to the classification and measurement of financial instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments) - Contracts Referencing Nature-dependent Electricity	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
HK Interpretation 5 (Revised)- Presentation of Financial Statements –Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19 (Amendments) - Subsidiaries without Public Accountability: Disclosures and subsequent amendments in October 2025	1 January 2028
HKAS 21 (Amendments) - Translation to a Hyperinflationary Presentation Currency	To be determined
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 (Amendments to Illustrative Examples) - Disclosures about Uncertainties in the Financial Statements	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 trading of seaweed 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 2025					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	252,068	410,644	88,749	138,475	14,754	904,690
Cost of sales	<u>(179,691)</u>	<u>(371,879)</u>	<u>(75,490)</u>	<u>(100,829)</u>	<u>(9,576)</u>	<u>(737,465)</u>
Segment results	<u>72,377</u>	<u>38,765</u>	<u>13,259</u>	<u>37,646</u>	<u>5,178</u>	<u>167,225</u>
A reconciliation of results of reportable segments to profit for the year is as follows:						
Results of reportable segments						167,225
Other income						6,478
Other losses – net						(1,393)
Net impairment losses						
on financial assets						(1,299)
Selling and						
distribution expenses						(25,926)
Administrative expenses						(110,514)
Finance income						286
Finance costs						<u>(27,734)</u>
Profit before income tax						7,123
Income tax expense						<u>(1,754)</u>
Profit for the year						<u>5,369</u>

3 Revenue and segment information (continued)

(a) Revenue and segment information (continued)

	Year ended 31 December 2024					
	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	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						<u>(30,052)</u>
Profit before income tax						80,873
Income tax expense						<u>(19,996)</u>
Profit for the year						<u><u>60,877</u></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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Chinese Mainland	434,931	475,237
Europe	235,121	286,198
Asia (excluding Chinese Mainland)	161,714	161,716
South America	47,796	42,058
North America	20,413	20,647
Africa	4,598	3,212
Oceania	117	189
Total	<u>904,690</u>	<u>989,257</u>

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

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Chinese Mainland	413,905	424,691
Hong Kong	906	1,548
Indonesia	63,494	70,675
Total	<u>478,305</u>	<u>496,914</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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Contract liabilities	<u>7,215</u>	<u>7,500</u>

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

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Revenue recognised during the year that was included in the contract liabilities at the beginning of the year	<u>7,500</u>	<u>11,003</u>

For unsatisfied performance obligations, the Group applied the 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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Raw materials and consumables used	664,895	598,374
Changes in inventories of finished goods	(70,654)	21,991
Provision for inventories impairment	11,086	23,007
Employee benefit expenses	131,773	117,576
Amortisation of land use rights	1,145	1,244
Depreciation of property, plant and equipment	43,706	44,286
Amortisation of intangible assets	2,552	2,482
Utility expenses	31,725	29,280
Other taxes and levies	7,004	6,337
Transportation costs	8,317	9,223
Auditors' remuneration		
- annual audit services of the Company's auditor	2,050	2,050
- non-audit services of the Company's auditor (i)	220	220
- statutory audit services of subsidiaries' auditor	290	251
Advertising and exhibition expense	3,809	3,094
Others	35,987	32,591
Total	873,905	892,006

4 Expenses by nature (continued)

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

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Employee benefit expenses	12,848	10,759
Raw materials and consumables used	12,658	9,792
Depreciation charges	1,075	1,168
Others	2,093	1,089
	<u>28,674</u>	<u>22,808</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 and Hong Kong profits tax compliance services, carried out by separate non-audit team of the Company's auditor (2024: 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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Current income tax	6,029	9,256
Deferred income tax/(credit)	(4,275)	10,740
Income tax expense	<u>1,754</u>	<u>19,996</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% (2024: 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% (2024: 16.5%) on the estimated assessable profits for the year with certain concession. Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department from the year of assessment 2018/2019 onwards, the first HK\$2 million of assessable profits of one of the Group's companies incorporated in Hong Kong is subject to a tax rate of 8.25% (2024: 8.25%) under Hong Kong profits tax during the year ended 31 December 2025. The Group's remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5% (2024: 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% (2024: 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 12.5% respectively for both 2025 and 2024, 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 2024 to December 2027.

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 2025 and 2024.

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 2025 and 2024, 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 RMB586,860,000 (2024: RMB563,217,000) as at 31 December 2025, 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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Profit before income tax	<u>7,123</u>	<u>80,873</u>
Tax calculated at the applicable statutory tax rates		
in the respective regions	870	19,056
Adjustment for tax effect of:		
– Expenses not deductible for tax purpose	1,318	1,160
– Additional deduction of research and development expenses	(1,772)	(1,531)
– (Upon)/Under provision in previous year	(707)	500
– Impact of preferential income tax	(1,960)	(2,879)
– Tax losses for which no deferred income tax asset was recognised	<u>4,005</u>	<u>3,690</u>
Tax charge	<u>1,754</u>	<u>19,996</u>

The effective tax rate for the year ended 31 December 2025 was 25% (2024: 25%).

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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
2025	—	550
2026	3,758	3,758
2027	2,569	2,569
2028	4,610	4,610
2029	8,855	8,855
2030	12,196	—
	<u>31,988</u>	<u>20,342</u>

6 Earnings per share

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 863,374,822 (2024: 835,526,466) in issue during the year, excluding ordinary shares held for the share award scheme.

The calculation of the diluted earnings per share amount is based on the profit 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, excluding ordinary shares held for the share award scheme, as used in the basic earnings 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 per share (continued)

Earnings

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Profit attributable to the ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	<u>6,588</u>	<u>62,171</u>

Shares

	Number of shares	
	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculations	863,374,822	835,526,466
Adjustments for calculation of diluted earnings per share:		
Effect of dilution – weighted average number of ordinary shares: share options	<u>—</u>	<u>2,043,645</u>
Weighted average number of ordinary shares and dilutive potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>863,374,822</u>	<u>837,570,111</u>

Basic and diluted earnings per share

	<u>2025</u>	<u>2024</u>
	RMB	RMB
Basic		
– For profit for the year	<u>0.008</u>	<u>0.074</u>
Diluted		
– For profit for the year	<u>0.008</u>	<u>0.074</u>

7 Dividends

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Paid final dividend of HK1.2 cents (2024: HKNil cents) per ordinary share	<u>9,461</u>	<u>—</u>

Dividends relating to the year ended 31 December 2024, amounting to approximately RMB9,461,000, were paid in July 2025 and October 2025.

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

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Proposed final dividend of HK1.2 cents (2024: HK1.2 cents) per ordinary share	<u>9,474</u>	<u>9,713</u>

A final dividend in respect of the year ended 31 December 2025 of HK1.2 cents (2024: HK1.2 cents) per share, amounting to a total of HK\$10,489,440, equivalent to approximately RMB9,474,000 (2024: HK\$10,489,440, equivalent to approximately RMB9,713,000), was proposed by the board of directors of the Company on 30 March 2026 and is subject to approval by the Company's shareholders in the forthcoming annual general meeting of the Company. The proposed final 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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Trade receivables	125,198	114,636
Less: allowance provision	<u>(3,170)</u>	<u>(1,883)</u>
	<u>122,028</u>	<u>112,753</u>
Prepayments for purchases of raw materials	10,010	12,095
Export tax rebate receivables and deductible value-added tax	15,810	10,568
Other receivables	<u>18,934</u>	<u>14,120</u>
	<u>44,754</u>	<u>36,783</u>
Total	<u><u>166,782</u></u>	<u><u>149,536</u></u>

(i) Ageing analysis of trade receivables

The ageing analysis of the trade receivables based on invoice date was as follows:

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Up to 30 days	61,477	60,328
31 to 90 days	32,019	33,554
91 to 180 days	16,302	4,502
181 to 365 days	632	14,268
Over one year	<u>14,768</u>	<u>1,984</u>
	<u><u>125,198</u></u>	<u><u>114,636</u></u>

8 Trade and other receivables (continued)

(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.

The loss allowance provision of trade receivables as at 31 December 2025 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 2025							
Expected loss rate	0.13%	1.15%	6.06%	10.60%	16.30%	100.00%	
Gross carrying amount	93,496	16,302	264	368	14,292	476	125,198
Loss allowance provision	<u>122</u>	<u>187</u>	<u>16</u>	<u>39</u>	<u>2,330</u>	<u>476</u>	<u>3,170</u>
Individually impaired receivables							<u>—</u>
Total allowance							<u><u>3,170</u></u>
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>	<u>1,883</u>
Individually impaired receivables							<u>—</u>
Total allowance							<u><u>1,883</u></u>

8 Trade and other receivables (continued)

(ii) Impairment of trade receivables (continued)

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 more than 24 months.

As at 31 December 2025, the loss allowance provision for trade receivables are reconciled to the opening loss allowance for that provision as follows:

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
At 1 January	1,883	894
Loss allowance recognised in profit or loss		
during the year	1,299	989
Currency translation differences	(12)	—
At 31 December	<u>3,170</u>	<u>1,883</u>

(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 (2024: nil). The Group does not hold any collateral in relation to these other receivables.

8 Trade and other receivables (continued)

(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>2025</u>	<u>2024</u>
	RMB'000	RMB'000
USD	50,320	49,472
RMB	114,361	97,274
HK\$	546	463
Other currencies	1,555	2,327
	<u>166,782</u>	<u>149,536</u>

9 Trade and other payables

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Trade payables	132,612	93,302
Contract liabilities - advance receipts from customers	7,215	7,500
Payables for property, plant and equipment	4,496	3,873
Employee benefit payables	10,890	8,094
Other taxes payable	2,460	3,660
Others	10,087	12,813
	<u>167,760</u>	<u>129,242</u>

9 Trade and other payables (continued)

Trade payables are usually paid within 90 days of recognition. The ageing analysis of trade payables as at 31 December 2025 based on invoice date was follows:

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
0-90 days	88,212	67,896
91-180 days	19,271	16,959
181-365 days	25,129	8,447
	<u>132,612</u>	<u>93,302</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.

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

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
RMB	98,478	83,224
USD	59,755	37,517
HK\$	1,011	765
Indonesian Rupiahs	8,516	7,736
	<u>167,760</u>	<u>129,242</u>

10 Borrowings and lease liabilities

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Bank borrowings (a)						
– secured	115,969	57,606	173,575	94,769	74,975	169,744
– unsecured	372,905	20,161	393,066	365,828	9,020	374,848
	<u>488,874</u>	<u>77,767</u>	<u>566,641</u>	<u>460,597</u>	<u>83,995</u>	<u>544,592</u>
Loan from third party						
– unsecured	—	18,360	18,360	—	17,000	17,000
Total borrowings	<u>488,874</u>	<u>96,127</u>	<u>585,001</u>	<u>460,597</u>	<u>100,995</u>	<u>561,592</u>
Lease liabilities						
– unsecured	1,818	6,029	7,847	1,338	2,196	3,534
Total borrowings and lease liabilities	<u>490,692</u>	<u>102,156</u>	<u>592,848</u>	<u>461,935</u>	<u>103,191</u>	<u>565,126</u>
Total secured borrowings	115,969	57,606	173,575	94,769	74,975	169,744
Total unsecured borrowings	<u>374,723</u>	<u>44,550</u>	<u>419,273</u>	<u>367,166</u>	<u>28,216</u>	<u>395,382</u>
Total borrowings and lease liabilities	<u>490,692</u>	<u>102,156</u>	<u>592,848</u>	<u>461,935</u>	<u>103,191</u>	<u>565,126</u>

10 Borrowings and lease liabilities (continued)

(a) Bank borrowings

The secured bank borrowings of the Group as at 31 December 2025 were secured by the pledge of the Group's land use rights and buildings as follows, and supported by guarantees from Mr. Chan Kam Chung, a director of the Company:

	<u>2025</u>	<u>2024</u>
	RMB'000	RMB'000
Land use rights	28,072	28,895
Buildings	<u>53,317</u>	<u>58,307</u>
Total assets pledged as security	<u>81,389</u>	<u>87,202</u>

The unsecured bank borrowings of the Group were supported by guarantees from Mr. Chan Kam Chung and Mr. Guo Dongxu, both being directors of the Company, to the extent of RMB70,290,000 (2024: RMB89,670,000) and RMB10,000,000 (2024: RMB10,000,000), respectively, as at 31 December 2025.

For the year ended 31 December 2025, the weighted average effective interest rate on bank borrowings was 4.57% (2024: 5.22%) per annum.

In December 2025, the Group has obtained one-time waivers from the relevant banks in respect of a total debt amount of RMB125.6 million, for the requirement to comply with certain financial covenants for the financial year ended 31 December 2025.

CHANGE OF COMPANY NAME

After considering feedback from various stakeholders over an extended period, the Company's previous Chinese and English names are considered not effectively conveying the Company's primary focus on the research, development, production, and sales of seaweed products under the context of advanced biotechnology. Seaweed is increasingly recognized as an eco-friendly resource, notable for its carbon-negative footprint during growth stage and its diverse applications as an alternative to fossil fuel-based materials. Subsequent to the passing of a special resolution for approval of the change of company name by the shareholders of the Company ("**Shareholders**") at the Extraordinary General Meeting (EGM) held on 6 June 2025, the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 10 June 2025 certifying that the English name of the Company has been changed from "Green Future Food Hydrocolloid Marine Science Company Limited" to "Green Fresh Biotechnology Company Limited" and the dual foreign name of the Company from "綠新親水膠體海洋科技有限公司" to "綠新生物科技有限公司". The certificate of registration of alteration of name of registered non-Hong Kong company in respect of the new company name was issued by the Registrar of Companies in Hong Kong on 9 July 2025.

MARKET LEADERSHIP

The Company 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 as well as refined and semi-refined carrageenan products in the PRC for both 2020 and 2021, and again in 2023 and 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. As an enterprise operating within the essential supply chain of large-scale manufacturers, the capabilities of ensuring steady supply through top-class production scale and technological acumen are the key competitive edges of the Group.

BUSINESS DEVELOPMENT STRATEGY

The Group's products, including agar-agar, carrageenan, blended products, and konjac gum, offer a wide range of functional properties such as thickening, water retention, and separation medium capabilities for various end-use applications. These include processed foods, cosmetics, and biomedical products. Notably, agarose and agar gel microspheres products, manufactured through more complex processes, serve as primary materials for laboratory culture media and electrophoresis media used in genetic sequencing. Additionally, konjac gum is commonly included in many health foods due to its high content of soluble dietary fibers. As part of its strategic growth, the Group has successfully expanded into the technically demanding and commercially attractive blended products market, which addresses diverse functional requirements of end products. Recently, the Group has further diversified its expertise by venturing into 100% biodegradable plastic alternatives, including wrapping films and soil films. We believe this area holds significant business potential as environmental conservation becomes a global priority for nations worldwide.

BUSINESS REVIEW

During FY2025, the economies of China and European countries, being the two major markets of the Group, remained feeble amidst all the persistent challenges. First, the significant challenges that China faced in 2024 has continued, characterized by a sustained decline in the purchasing power of the general public. This situation has led to widespread "involution" where intensified price competition further undermines business profitability and, consequently, the income and spending levels of the general population. Additionally, demand from overseas markets is deteriorating amid uncertainties arising from the trade tariff war initiated at the beginning of 2025, along with a decline in household income and, thus, reduced spending on consumer goods, including food items. As a result of this broad decrease in demand and the impacts of "involution in China", the sales volume and average selling price of refined carrageenan have fallen by approximately 10.7% and 5.1%, respectively, in FY2025 compared to FY2024. Additionally, alongside the decline in milk and premium leisure foods consumption both in China and globally, the sales volume and average selling price of agar-agar dropped by approximately 13.3% and 1.4%, respectively, during FY2025 as compared to FY2024.

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 our 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 FY2025. Last but not the least, the launching of seaweed-based 100% biodegradable algae membrane as an alternative to plastics for a wide array of applications is viewed as a strategic move of the Group to capitalise on 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 feebleness of the Group's major markets restrained the overall resurgence of the Group's business performance in FY2025, 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 is expected to bottom out and gradually rise in the foreseeable future due to the turn-around effect of business cycle. 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, the sales volume of blended products has demonstrated a compound annual growth rate of over 20% from 2021 to 2025. Given that the key applications of hydrocolloid products encompass essential consumer goods such as food, household items, skincare and 100% bio-degradable seaweed 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 the Shareholders, the Directors recommended a payment of a final cash dividend of HK1.2 cents per share for FY2025, which demonstrated the Company's continuous efforts in attaining the target dividend payout each year after considering the available cash resources.

FINANCIAL REVIEW

The Group's net profit for FY2025 was RMB5.4 million, compared to a net profit of RMB60.9 million for FY2024, representing a decrease of RMB55.5 million. Further analysis on the operating results of the Group is set out below.

Revenue

During FY2025, the Group's revenue was RMB904.7 million (2024: RMB989.3 million), decreased by RMB84.6 million or 8.6% as compared to FY2024. The decrease in the Group's sales revenue was mainly attributable to the significant decrease in the sales revenue of carrageenan products by approximately RMB76.7 million or 15.7%, caused mainly by the year-round decrease in the selling price of seaweed materials during FY2025, which is the key determinant of the selling price of the Group's carrageenan products, as compared to FY2024. As noted in the Company's annual report for FY2024, following a significant surge in the selling prices of seaweed and carrageenan in FY2022, both prices have declined continuously from FY2023 through FY2025 due to reduced demand stemming from the economic slowdown noted in China and many European countries during this period. On the other hand, the sales revenue of agar-agar decreased by RMB42.8 million or 14.5% during FY2025, as compared to FY2024. These two major products contributed a total of 73.3% of the Group's total sales revenue of the year, representing a decrease of 5.8% as compared to FY2024. This was mainly due to the decrease in the sales revenue of agar-agar and carrageenan products alongside the increase in sales revenue of konjac products, blended products and others by a total of RMB34.9 million or 16.9% during FY2025.

During FY2025, the sales value in the PRC and the overseas markets accounted for 48.1% and 51.9% of the Group's total sales value, respectively (FY2024: 48.0% and 52.0%). Sales value in the PRC market amounted to RMB434.9 million for FY2025, decreased by RMB40.3 million or 8.5% as compared to FY2024. Sales value in the overseas market amounted to RMB469.8 million for FY2025, decreased by RMB44.3 million or 8.6% as compared to FY2024. Within the sales value in the overseas market, the total value of products sold to European countries decreased by RMB51.1 million or 17.8%, which was in line with the region's economic downturn; while the total value of products sold to South America increased by RMB5.7 million or 13.6%, reflecting the decent growth of the region's hydrocolloid-related manufacturing business.

Cost of Sales

For FY2025, the Group's cost of sales was RMB737.5 million (FY2024: RMB766.8 million), representing a decrease of RMB29.3 million or 3.8%. This cost was primarily comprised of raw materials (seaweed and konjac), ancillary materials, and production costs. Such decrease was mainly attributable to the decline in the sales volume of agar-agar and carrageenan products by 13.3% and 10.7%, respectively, as compared to FY2024. From the perspective of cost compositions, there was a decrease in direct material cost resulting mainly from the year-round decrease in the selling price of seaweed during FY2025, and an increase in direct labor cost due to salary increment implemented during the year. In addition, further investments in environment conservation represented another item of cost increase for FY2025.

Gross Profit and Gross Profit Margin

For FY2025, the gross profit of the Group was RMB167.2 million (FY2024: RMB222.5 million), representing a decrease of RMB55.3 million or 24.9%. The overall gross profit margin for FY2025 was 18.5%, representing a decrease of 4.0 percentage points as compared to FY2024.

During FY2025, the gross profit margin of agar-agar, carrageenan and blended products decreased by 1.2 percentage points, 7.6 percentage points and 1.3 percentage points, respectively, as compared to FY2024. On the other hand, the gross profit margin of Konjac increased by 1.9 percentage points in FY2025, as compared to FY2024. Upon analysis, the decrease in the overall gross profit margin was primarily due to a 7.6 percentage point reduction in the gross profit margin of carrageenan products, stemming from the downward trend in their selling prices during FY2025. Conversely, the lowered average inventory costs resulting from the decline in seaweed prices during the year contributed to a reduced level of inventory provision in FY2025 compared to FY2024.

Selling and Distribution Expenses

For FY2025, the selling and distribution expenses of the Group were RMB25.9 million (FY2024: RMB20.6 million), representing an increase of RMB5.3 million or 25.7%. The increase was mainly due to the increase in the number of sales representatives located overseas for market development. Besides, during FY2025, the Company participated in an increased number of trade shows held locally and overseas, as well as conducted increased number of customer visits, resulting in corresponding increase in travelling and accommodation expenses.

Administrative Expenses

For FY2025, the administrative expenses of the Group were RMB110.5 million (FY2024: RMB104.6 million), representing an increase of RMB5.9 million or 5.6%, which was mainly attributable to salary increment implemented during the year and the increase in materials consumed in respect of the Group's research and development activities in respect of agar-agar, konjac as well as the 100% biodegradable seaweed products.

Net Finance Costs

During FY2025, the finance income and finance costs of the Group were RMB286,000 and RMB27.7 million, respectively, (FY2024: RMB686,000 and RMB30.1 million), representing a decrease of RMB400,000 for finance income and a decrease of RMB2.4 million or 8.0% for finance costs. The decrease in finance income was directly linked to the amount and duration of bank deposit made during FY2025, 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 FY2025.

Income Tax Expenses

For FY2025, the income tax expense of the Group was RMB1.8 million (FY2024: RMB20.0 million), representing a decrease of RMB18.2 million or 91.0%. The significant decrease was mainly due to the decrease in taxable profit by RMB73.8 million or 91.2% to RMB7.1 million for FY2025, as compared to the pre-tax profit of RMB80.9 million for FY2024.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax	6,029	9,256
Deferred income tax/(credit)	(4,275)	10,740
Income tax expense	1,754	19,996

Net Profit

The Group's net profit for FY2025 was RMB5.4 million, reflecting a decrease of RMB55.5 million or 91.1% compared to the net profit of RMB60.9 million for FY2024. The decline in net profit for FY2025 closely mirrors the decrease in gross profits as explained above. During FY2025, the effect of the decrease in net finance cost of RMB1.9 million and income tax expenses of RMB18.2 million, was largely off-set by the decrease in other income of RMB5.1 million and the increase in other net losses, selling and distribution expenses and administrative expenses of RMB3.8 million, RMB5.3 million and RMB5.9 million, respectively.

Profit Attributable to Owners of the Company

For FY2025, profit attributable to owners of the Company was RMB6.6 million (FY2024: RMB62.2 million), representing a decrease of RMB55.6 million, consistent with the decrease in the net profit of the Group for FY2025.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2025, the Group's cash and bank balances amounted to RMB108.4 million, representing a decrease of RMB33.1 million or 23.4% from 31 December 2024. Cash and bank balances were denominated in HKD, USD and RMB. The financial ratios of the Group as of 31 December 2025 were as follows:

	As at 31 December 2025	As at 31 December 2024
Current ratio	1.68	1.74
Gearing ratio ¹	37.3%	34.3%

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

Net Current Assets

As of 31 December 2025, the Group's net current assets were RMB450.5 million, reflecting an increase of RMB7.6 million or 1.7% from RMB442.9 million as of 31 December 2024. This increase was mainly attributable to the increase in inventories and trade and other receivables by RMB90.6 million and RMB17.2 million, respectively. Such increases were largely offset by the increases in trade and other payables and bank borrowings of RMB38.5 million and RMB28.3 million, respectively, along with a decrease in cash and bank balances of RMB33.1 million.

Borrowings

As of 31 December 2025, the total bank borrowings of the Group amounted to RMB566.6 million, of which RMB488.9 million shall be repaid within one year and RMB77.7 million shall be repaid after one year. The bank borrowings were denominated in HKD, USD and RMB. As of 31 December 2025, the total non-bank borrowings of the Group amounted to RMB18.4 million which was denominated in RMB and shall be repaid after one year.

The Group did not use any financial instruments for hedging purposes and did not have any net foreign currency investments that are hedged by currency borrowings and/or other hedging instruments.

INTEREST RATE RISK

The interest rate risk of the Group arises from short-term interest-bearing deposits and bank borrowings. For FY2025, all the bank borrowings are at variable interest rates and the weighted average interest rate on bank borrowings was 4.57% per annum (FY2024: 5.22%). The Group is exposed to the interest rate risk of cash flow on short-term deposits and bank borrowings at the variable rate. Non-bank borrowings of RMB18.4 million were obtained at fixed interest rates and 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 FY2025, the Group did not use any financial instruments for hedging purposes.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group had 1,168 full-time employees, of whom 982 were based in the Chinese Mainland and 186 were based in Hong Kong and other countries and territories. The total amount of employee benefit expense for FY2025 were RMB131.8 million (FY2024: RMB117.6 million).

The management of the Group maintains good working relationship with its employees and the Group 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, share award and share options may be provided to selected employees taking into consideration the Group's performance and the performance of the individual employee.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during FY2025.

PLEDGE OF ASSETS

As of 31 December 2025, the Group's bank borrowings were secured by the pledge of the Group's land use rights and buildings with a carrying value of RMB81.4 million (31 December 2024: RMB87.2 million). As of 31 December 2025, the amount of secured bank borrowings was RMB173.6 million (31 December 2024: RMB169.7 million).

As of 31 December 2025, RMB19.7 million deposits was pledged for issue of letter of credit and notes payable of the Group, and was presented as restricted cash on the balance sheet.

CAPITAL EXPENDITURES

The capital expenditures primarily comprise cash expenditures for plant, equipment and land-use-rights. The capital expenditures for FY2025 and FY2024 were RMB47.4 million and RMB48.0 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 2025 and 31 December 2024 amounted to RMB5.9 million and RMB9.5 million, respectively.

The Group did not have any material contingent liabilities as of 31 December 2025.

LEASE LIABILITIES

Lease liabilities are related to building of the Group.

	As at 31 December <u>2025</u>	As at 31 December <u>2024</u>
	RMB'000	RMB'000
Minimum lease payments:		
Within one year	2,103	1,424
Later than 1 year and no later than 5 years	3,716	2,345
Over 5 years	3,171	—
	<u>8,990</u>	3,769
Future finance charges	<u>(1,143)</u>	<u>(235)</u>
Total lease liabilities	<u><u>7,847</u></u>	<u><u>3,534</u></u>

SHARE OPTION SCHEMES AND SHARE AWARD SCHEME

Prior to the listing of the Company on The Stock Exchange of Hong Kong Limited (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**”) under the Pre-IPO Share Option Scheme. All the share options granted under the Pre-IPO Share Option Scheme have been fully vested and exercised on 21 May 2024 and there was no outstanding Pre-IPO share options as of 31 December 2025. No option was granted, exercised, lapsed or cancelled during FY2025 under the Pre-IPO Share Option Scheme and no further option may be granted 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 FY2025, 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 FY2025, 1,596,000 Shares were purchased on-market by the trustee (the “**Trustee**”) of the Share Award Scheme as part of the shares pool under the Share Award Scheme (FY2024: Nil) and the total consideration paid for the purchased Shares was HK\$1,120,700 (FY2024: Nil). An aggregate of 1,620,000 awarded Shares were vested during FY2025. Save as disclosed above, no awarded Share was granted, vested, lapsed or cancelled during FY2025 under the Share Award Scheme.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company during FY2025.

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 during FY2025. As at 31 December 2025, the Company had 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 2025 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 (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, as well as 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 code provisions of the CG Code during FY2025, 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 both Chairman and Chief Executive Officer in Mr. CHAN 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 regarding securities transactions by the Directors. The Company has made specific enquiry of all the Directors, and all Directors confirmed that they have complied with the required standard set out in the Model Code for FY2025.

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 FY2025 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 financial reporting matters 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 FY2025, the consolidated financial statements for FY2025 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 Shareholders’ eligibility to attend and vote at the annual general meeting of the Company to be held on Friday, 12 June 2026 (the “**AGM**”), the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement to attend and vote at the AGM is Friday, 12 June 2026. 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 by no later than 4:30 p.m. on Monday, 8 June 2026.

For the purpose of ascertaining Shareholders’ entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 18 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement to receive the final dividend is Tuesday, 23 June 2026. 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 by no later than 4:30 p.m. on Wednesday, 17 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during FY2025 and up to the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for FY2025 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 (if required) in due course.

OUR APPRECIATION

Lastly, we would like to express our sincere gratitude to the Shareholders 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 the last year.

By order of the Board
**GREEN FRESH BIOTECHNOLOGY
COMPANY LIMITED**
CHAN Kam Chung
Chairman and Chief Executive Officer

Hong Kong, 30 March 2026

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.