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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:1084)**

**CONNECTED TRANSACTION  
PURCHASE OF PROPERTIES**

On 14 December 2020, Lvqi (Xiamen), as purchaser, and Mr. GUO Dongxu, an executive Director and as seller, entered into the Sale and Purchase Agreement, pursuant to which Mr. GUO Dongxu has agreed to sell and Lvqi (Xiamen) has agreed to purchase the Properties for cash consideration of RMB29.6 million (equivalent to HK\$35.1 million).

As of the date of this announcement, Mr. GUO Dongxu is an executive Director of the Company and is therefore a connected person of the Company at the issuer level pursuant to Chapter 14A of the Listing Rules. As such, the Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules for the Company. As the highest applicable percentage ratio (as defined in the Listing Rules) of the Purchase exceeds 0.1% but is less than 5%, the entering into of the Sale and Purchase Agreement is subject to the reporting and announcement requirements, but exempted from the independent Shareholders' approval requirements under the Listing Rules.

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## THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set forth below:

Date: 14 December 2020

Parties: (a) Mr. GUO Dongxu, as seller; and  
(b) Lvqi (Xiamen), as purchaser

Consideration: RMB29.6 million

### Properties

The below table sets forth a list of properties to be purchased under the Sale and Purchase Agreement:

No.	Property	Consideration	Market Price	Gross floor area	Usage
1.	Unit 104 of Jinhaiwan Fortune Centre, 998-1000 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC (the “ <b>First Office Unit</b> ”)	RMB2.3 million	RMB2.3 million	150.11 sq.m.	Office
2.	Unit 105 of Jinhaiwan Fortune Centre, 998-1000 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC (the “ <b>Second Office Unit</b> ”)	RMB5.9 million	RMB6.0 million	395.33 sq.m.	Office
3.	Unit 604 of Jinhaiwan Fortune Centre, 998-1000 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC (the “ <b>Third Office Unit</b> ”)	RMB17.8 million	RMB18.1 million	1,187.60 sq.m.	Office
4.	Car Park No. 21, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
5.	Car Park No. 25, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
6.	Car Park No. 26, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
7.	Car Park No. 27, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space

No.	Property	Consideration	Market Price	Gross floor area	Usage
8.	Car Park No. 29, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
9.	Car Park No. 30, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
10.	Car Park No. 31, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
11.	Car Park No. 32, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
12.	Car Park No. 33, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
13.	Car Park No. 34, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
14.	Car Park No. 35, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space
15.	Car Park No. 36, B1, 996 Anling Road, Huli District, Xiamen City, Fujian Province, the PRC	RMB0.3 million	RMB0.3 million	35.64 sq.m.	Parking space

As disclosed in the prospectus of the Company dated 30 September 2019, following the listing of the Company on the Stock Exchange, pursuant to the Lease Agreements, Lvqi (Xiamen) has leased from Mr. GUO Dongxu a portion of the Second Office Unit and the Third Office Unit for a period of three years ending on 31 December 2020 for an aggregate annual rental of RMB356,491.2. The Lease Agreements constitute connected transactions for the Company but fell within the scope of *de minimis* threshold under Rule 14A.76 of the Listing Rules. Mr. GUO Dongxu and Lvqi (Xiamen) have agreed that the Lease Agreements shall be terminated upon completion of ownership transfer registration of the Properties to Lvqi (Xiamen) under the Sale and Purchase Agreement.

### Consideration

The Consideration is RMB29.6 million (equivalent to HK\$35.1 million) and is determined after arm's length negotiations between Lvqi (Xiamen) and Mr. GUO Dongxu with reference to the market value of the Properties of RMB30.0 million (equivalent to HK\$35.6 million) as confirmed in the valuation report issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a firm of independent

valuers, in which the comparison approach by making reference to comparable market transactions is adopted in the assessment of the market value of the Properties. Such approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

The Consideration will be payable in cash by Lvqi (Xiamen) to Mr. GUO Dongxu in the following manner: (a) RMB10.0 million to be payable on or before 31 December 2020; (b) RMB10.0 million to be payable on or before 31 March 2021; and (c) the remaining balance of RMB9.6 million to be payable on or before 30 June 2021. The Consideration will be financed from the internal resources of Lvqi (Xiamen).

### **Closing**

The Properties will be delivered to Lvqi (Xiamen) on or before 30 June 2021.

### **REASONS FOR AND BENEFITS OF THE PURCHASE**

Lvqi (Xiamen) will continue to use a portion of the Second Office Unit and the Third Office Unit for business upon the expiry of the Lease Agreements. The decision to purchase the Properties with extra floor area, i.e. First Office Unit and the remaining area of the Second and the Third Office Unit not under the Lease Agreement, is to cater for the business development of the Group. Further, the twelve car parking spaces located in the same building are to be purchased for staff use.

The Directors (including the independent non-executive Directors but excluding Mr. GUO Dongxu), having made all reasonable and due inquiries, are of the opinion that the Sale and Purchase Agreement (including the amount of the Consideration) and transactions contemplated thereunder were fair and reasonable and on normal commercial terms, and that the Purchase is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole.

As Mr. GUO Dongxu is the owner of the Properties and has material interest in the Sale and Purchase Agreement, he has abstained from voting at the relevant Board meeting.

## **GENERAL INFORMATION**

### **Lvqi (Xiamen)**

Lvqi (Xiamen) is a company established under the laws of the PRC with limited liability on 4 June 2013 and a wholly-owned subsidiary of the Company. The principal business activities of Lvqi (Xiamen) are research and development activities on agar-agar, carrageenan, konjac products, and their blended products.

### **Mr. GUO Dongxu**

Mr. GUO Dongxu is an executive Director and oversees project development, quality control and external business affairs of the Group. Mr. GUO joined the Group in March 2009. Since December 2012, Mr. GUO has been the executive director and general manager of Lvqi Food Colloid Company Limited, a wholly-owned subsidiary of the Company. Mr. GUO was subsequently re-assigned as the Vice President and General Manager of Green Fresh (Fujian) Foodstuff Co., Ltd., a wholly-owned subsidiary of the Company. Mr. GUO has 24 years of experience in seaweed processing and corporate management.

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, Mr. GUO Dongxu is an executive Director of the Company and is therefore a connected person of the Company at the issuer level pursuant to Chapter 14A of the Listing Rules. As such, the Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules for the Company. As the highest applicable percentage ratio (as defined in the Listing Rules) of the Purchase exceeds 0.1% but is less than 5%, the entering into of the Sale and Purchase Agreement is subject to the reporting and announcement requirements, but exempted from the independent Shareholders' approval requirements under the Listing Rules.

## **DEFINITION**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company;
“Company”	Green Future Food Hydrocolloid Marine Science Company Limited (綠新親水膠體海洋科技有限公司), a company incorporated in the Cayman Islands on 3 July 2015 as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1084);

“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration of RMB29.6 million under the Sale and Purchase Agreement;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Lease Agreements”	two lease agreements (including any supplement agreement(s), if any) dated 15 December 2017 entered into between Lvqi (Xiamen) and Mr. GUO Dongxu;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lvqi (Xiamen)”	綠麒(廈門)海洋生物科技有限公司 (Lvqi (Xiamen) Marine Biological Technology Company Limited), a company established under the laws of the PRC with limited liability on 4 June 2013 and a wholly-owned subsidiary of the Company;
“PRC”	The People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“Properties”	the list of properties set forth in the paragraph headed “Properties” in this announcement;
“Purchase”	the purchase of the Properties by Lvqi (Xiamen) from Mr. GUO Dongxu pursuant to the Sale and Purchase Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 14 December 2020 entered into between Lvqi (Xiamen) and Mr. GUO Dongxu in relation to the Purchase;
“Shareholders”	holders of the Shares;
“Shares”	the ordinary shares of the Company;

“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.185. No representation is made that any amount in RMB or HK\$ could have been or could be converted at the above rate or at any other rates.*

By order of the Board  
**Green Future Food Hydrocolloid  
Marine Science Company Limited**  
**CHAN Kam Chung**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 December 2020

*As at the date of this announcement, the executive directors are Mr. CHAN Kam Chung (Chairman and Chief Executive Officer), Mr. GUO Dongxu, Mr. CHAN Shui Yip and Mr. SHE Xiaoying; the non-executive director is Mr. GUO Songsen; and the independent non-executive directors are Mr. HO Kwai Ching, Mark, Mr. NG Man Kung and Mr. HU Guohua.*