

TARGET

Intelligence Report

VOLUME XXI No. 244

T H U R S D A Y

November 7, 2019

GREEN FUTURE FOOD

HYDROCOLLOID MARINE SCIENCE COMPANY LTD:

A HEALTHIER LIFE, DERIVED BY EATING PRODUCTS,

DERIVED FROM SEAWEED

The (clever) Japanese Have Been Eating It For Centuries

When Green Future Food Hydrocolloid Marine Science Company Ltd () produced its Share Offer Prospectus, disseminating it in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** on Monday, September 30, 2019, it was quite likely that not many people, outside of universities or those, engaged in certain, specific academic disciplines, knew the definition of *'hydrocolloid.'*

At Page 15 of the Share Offer Prospectus, the definition of hydrocolloid was given as follows:

'A substance which is dissolved in water and may create different functional properties, such as thickening or gelling, in food stuffs or other materials.'

Having learned the definition of what must be this sparsely used word, one may be forgiven for thinking that continued scanning of this 679-Page tome – the Share Offer Prospectus – would be easy meat.

No such luck!

Unless one is a human lexicon, reading the 679 pages of the Share Offer Prospectus requires one to refer, intermittently, to the definition pages and the glossary of technical terms, from Pages One through to 16.

The Initial Public Offering (IPO) Of

Green Future Food Hydrocolloid Marine Science Company Ltd

The Share Offer Prospectus of Green Future Food Hydrocolloid Marine Science Company Ltd (Code: 1084, Main Board, The Stock Exchange of Hongkong Ltd) was for the sales of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.16 to a high of \$HK1.74.

Investors of the HKSAR were Offered the opportunity to subscribe to 20 million Shares (the Hongkong Shares Offer tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with any corporate

entity(ies) in which they held equity control – were induced to subscribe to 180 million Shares (the International Shares Offer tranche).

On Wednesday, October 16, 2019, Management of Green Future Food Hydrocolloid Marine Science Company Ltd announced that the Offer Price Per Share had been struck at \$HK1.16 – the lowest level of the Indicative Offer Price range – and that the Company envisaged, increasing the amount of money in its coffers by about \$HK183.70 million.

With regard to the Hongkong Shares Offer tranche, one was informed that it had been '*slightly over-subscribed*', representing about 1.59 times the 20 million Offer Shares, initially available for subscription in this tranche.

As for the International Shares Offer tranche, one was only told that it had, also, been '*slightly over-subscribed*'.

At Pages Eight and Nine of the October 16 Announcement in respect of the Offer Price and the Allotment Results, one was apprised as to the present, intended utilisations of the net proceeds of the Share Offer:

- Approximately, \$HK20.20 million, that is about 11.00 percent, '*will be used for partial*

financing of the construction cost for the new production plant adjacent to the location of Lvqi (Fujian) Production Plant, which will have a total site area of 37,680 sq.m. (square metres) and a total gross floor area of 8,266.21 sq.m.’;

- Approximately, \$HK62.10 million, that is about 33.80 percent, ‘*will be used for the construction of a new production plant in Longhai City, Zhangzhou City, Fujian Province, the PRC with an annual design production capacity of 50 tonnes of agarose¹, 10 tonnes of agar² microspheres, and 200 tonnes of agarophyte³;*
- Approximately, \$HK21.10 million, that is about 11.50 percent, ‘*will be used for the construction of a new production plant in Indonesia with an annual design production capacity of 3,000 tonnes of semi-refined carrageenan⁴;*
- Approximately, \$HK62.80 million, that is about 34.20 percent, ‘*will be used for the construction of a new production plant of agar-agar⁵ products in Zhangzhou City, Fujian Province, the PRC, with an annual design production capacity of 1,000 tonnes’;* and,
- Approximately, \$HK17.50 million, that is about 9.50 percent, ‘*will be used for our general working capital purpose’.*

EDITOR’S NOTE

¹**Agarose** (): Green Future Food Hydrocolloid Marine Science Company Ltd has developed agarose which is suitable for use as a medium for electrophoresis and can be used in molecular biology for the separation of large molecules, for example DNA, by electrophoresis.

²**Agar**: A gelatinous substance, obtained from certain red seaweeds and used in biological culture media and as a thickener in foods.

³**Agarophyte**: Any of various seaweeds from which agar can be extracted.

⁴**Carrageenan**: A colloid extracted from edible seaweed, such as eucheuma, and is used in food and non-food applications, including refined carrageenan and semi-refined carrageenan.

⁵**Agar-agar**: A colloid extracted from edible seaweed, such as gracilaria, and is used in food and non-food applications, including general agar-agar products, quick dissolve agar-agar products, and agarose.

Colloid: A substance of gelatinous consistency.

Green Future Food Hydrocolloid Marine Science Company Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.