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GLOBAL NEW MATERIAL INTERNATIONAL HOLDINGS LIMITED

环球新材国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 06616)

PROPOSED ISSUE OF 3.5% COUPON CONVERTIBLE BONDS UP TO CNH500,000,000 UNDER GENERAL MANDATE

Convertible Bond Issue

On 28 December 2022 (after trading hours), the Company entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe and pay for, the Convertible Bonds in the aggregate principal amount up to CNH500.0 million. The Convertible Bonds comprise the Tranche A Convertible Bond in the principal amount of CNH300.0 million and the Tranche B Convertible Bond in the principal amount of not more than CNH200.0 million. The issue price of the Convertible Bonds shall be 100.0% of the aggregate principal amount.

The Convertible Bonds are convertible into the Conversion Shares in the circumstances set forth in the Conditions at the initial Conversion Price, which is subject to the Adjustment Events. Based on the initial Conversion Price of HK\$7.6 and assuming full conversion of the maximum aggregate principal amount of CNH500.0 million of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds would be convertible into 73,026,316 Conversion Shares, representing (a) 6.13% of the total issued Shares as of the date of this announcement and (b) 5.77% of the total issued Shares as enlarged by the allotment and issue of the Conversion Shares.

The Guarantors have conditionally and irrevocably guaranteed on a joint and several basis the due payment of all sums expressed to be payable by the Company under the Convertible Bonds.

Proposed use of the net proceeds from the Convertible Bond Issue

The estimated net proceeds from the Convertible Bond Issue, after deduction of the estimated expenses, amount to CNH491.5 million assuming that the maximum aggregate principal amount of CNH500.0 million of the Convertible Bonds is issued and completed. The net proceeds will be used for the investment opportunities within the pearlescent pigments and synthetic mica industry as accepted by both the Company and the Subscriber. The Fund Monitoring Agent shall monitor the use of the proceeds pursuant to the Fund Monitoring Agreement.

General Mandate

The Conversion Shares will be allotted and issued pursuant to the General Mandate and will rank *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of such Conversion Shares. The issue of the Conversion Shares is not subject to any additional specific approval by the Shareholders.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares, which may be issued and allotted upon the conversion of the Convertible Bonds.

Implications under the Listing Rules

As Hongzun Investment is one of the controlling shareholders (as such term is defined under the Listing Rules) of the Company and Mr. SU, the Chairman and the Chief Executive Officer of the Group and an executive Director, is the chairman of Hongzun Investment, the provision of the guarantee by Hongzun Investment will constitute a connected transaction in the form of financial assistance in favour of the Company. However, as the provision of the guarantee by Hongzun Investment is not secured by any assets of the Group, and as the Directors consider that the provision of the guarantee by Hongzun Investment is on normal commercial terms or better, the provision of guarantee by Hongzun Investment is fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Completion of the Subscription Agreement is subject to the satisfaction, and/or waiver, of certain conditions precedent therein. Accordingly, the Subscription Agreement may or may not proceed to completion, and the Convertible Bonds and/or the Conversion Shares may or may not be issued. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On 28 December 2022 (after trading hours), the Company entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe and pay for, the Convertible Bonds in the aggregate principal amount up to CNH500.0 million. The Convertible Bonds comprise the Tranche A Convertible Bond in the principal amount of CNH300.0 million and the Tranche B Convertible Bond in the principal amount of not more than CNH200.0 million.

Further information on the terms of the Subscription Agreement is summarised as follows:

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date: 28 December 2022 (after trading hours)

Parties: (i) the Company, as the issuer of the Convertible Bonds and
(ii) the Subscriber, as the sole subscriber of the Convertible Bonds.

The Subscriber is a company incorporated in Hong Kong with limited liability. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Conditions precedent: Completion of the Tranche A Convertible Bond is conditional upon the fulfilment and/or waiver (where applicable) of the following:

- (a) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Tranche A Convertible Bond and the approval not having been subsequently revoked or cancelled;
- (b) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct in all material aspects as of the Tranche A Completion Date;

- (c) the representations and warranties of the Subscriber in the Subscription Agreement being true, accurate and correct in all material aspects as of the Tranche A Completion Date; and
- (d) both the Company and the Subscriber having obtained all necessary consents and approvals in respect of the Subscription Agreement and the transactions contemplated thereunder.

Completion of the Tranche B Convertible Bond is conditional upon the fulfilment and/or waiver (where applicable) of the following:

- (e) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Tranche A Convertible Bond (if it has not been obtained by the Company under (a) above) and the Tranche B Convertible Bond and the approval not having been subsequently revoked or cancelled;
- (f) the Subscriber having obtained all other necessary consents and approvals in respect of the Tranche B Convertible Bond (if any); and
- (g) completion of the subscription of the Tranche A Convertible Bond having taken place.

The condition precedent set forth in (b) above may be waived by the Subscriber and the conditions precedent set forth in (a), (c) and (e) above may be waived by the Company. The condition precedent set forth in (g) above may be waived by the Company and the Subscriber. If any of the above conditions precedent applicable to the respective completion of the Tranche A Convertible Bond and the Tranche B Convertible Bond are not fulfilled or waived (where applicable) on or before the Tranche A Long Stop Date or the Tranche B Long Stop Date (as the case may be), the Subscription Agreement shall lapse and become null and void. Neither the Company nor the Subscriber shall have any claim against each other save for liabilities for any antecedent breach thereof.

Completion: Completion of the subscription and issue of the Tranche A Convertible Bond and the Tranche B Convertible Bond would take place on the Tranche A Completion Date and the Tranche B Completion Date, respectively, following all the above conditions precedent have been satisfied and/or waived.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised as follows:

Issuer:	The Company
Aggregate principal amount of the Convertible Bonds:	Up to CNH500.0 million to be issued in two tranches: (i) Tranche A Convertible Bond in the principal amount of CNH300.0 million and (ii) Tranche B Convertible Bond in the principal amount of not more than CNH200.0 million.
Form and denomination:	The Convertible Bonds are in registered form only in the denominations of CNH100.0 million each and integral multiples thereof.
Maturity Date:	The fourth anniversary of the relevant Issue Date.
Issue Price:	100% of the aggregate principal amount of the Convertible Bonds.
Interest rate:	3.5% per annum

Default interest rate:	<p>(i) In relation to any outstanding amount of interest due and payable on Maturity Date, an additional interest at the rate of 3.5% per annum.</p> <p>(ii) In relation to any outstanding amount of principal amount of the Convertible Bonds, and any amount to make up the internal rate of return the Bondholder is entitled to receive and any outstanding amount of interest due and payable on early redemption date, an interest at the rate of 0.03% per day.</p>
Status:	The Convertible Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and rank <i>pari passu</i> and rateably without preference or priority among themselves.
Conversion Price:	The initial Conversion Price is fixed at HK\$7.6, but it will be subject to adjustment for any Adjustment Events, provided that no adjustment shall result in the Conversion Price to fall below the par value of such Share.
Transferability:	Subject to the Conditions, the Convertible Bonds may be transferred by the Bondholder to any third party, except that where the proposed transferee is a connected person (as defined in the Listing Rules) of the Company, such transfer will have to fully comply with the relevant provisions under the Listing Rules then prevailing.
Conversion Period:	Subject to the Conditions, the Bondholder shall have the right to convert the whole or part of the principal amount of the Convertible Bonds into the Conversion Shares at any time from the later of (a) the first day of the 40th month after the relevant Issue Date and (b) the date on which the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Bonds having been granted by the Listing Committee of the Stock Exchange to the date immediately before the relevant Maturity Date (both dates inclusive).

Ranking of the Conversion Shares:

The Conversion Shares will in all respects rank *pari passu* with the Shares in issue on the date of allotment and issue of such Conversion Shares.

Redemption or transfer rights of the Company:

(1) On the Maturity Date

Unless previously redeemed or converted, the Company will redeem the applicable Convertible Bonds at 100.0% of its principal amount outstanding on the respective Maturity Date together with (a) interest accrued but unpaid up to and including the respective Maturity Date and (b) (if the abovementioned amount plus any other amount already paid by the Company on such outstanding principal amount of the relevant Convertible Bonds falls short of making up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds) such additional amount which would make up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds calculated from the relevant Issue Date and up to and including the respective Maturity Date.

(2) By payment to the Bondholder

On giving not less than 14 days' notice to the Bondholder, the Company may at any time after the relevant Issue Date and prior to the Maturity Date, redeem or request the Bondholder to transfer to any other party the Company designates not more than 30% of the Convertible Bonds for the time being outstanding, provided that the closing price of the Shares for at least 5 trading days (each a "**Condition Satisfaction Day**") out of the 10 consecutive trading days, (the last Condition Satisfaction Day occurs not more than 10 trading days prior to the date upon which notice of such redemption is published), was at least 109.0% of the Conversion Price then in effect.

In such case, the Company will redeem or request the Bondholder to transfer the Convertible Bonds at 100.0% of the principal amount of the Convertible Bonds to be redeemed with (a) interest accrued but unpaid up to but excluding the redemption date and (b) (if the abovementioned amount plus any other amount already paid by the Company on such outstanding principal amount of the relevant Convertible Bonds falls short of making up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds) such additional amount which would make up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds to be redeemed or transferred calculated from the relevant Issue Date until the date immediately preceding the relevant redemption date.

(3) On rejection of the conversion request served by the Subscriber

If the Company rejects the Bondholder's request to convert the applicable Convertible Bonds during the Conversion Period, the Company will redeem the Convertible Bonds the subject of the conversion request at 100.0% of the principal amount of the Convertible Bonds to be redeemed with (a) interest accrued but unpaid up to but excluding the redemption date and (b) (if the abovementioned amount plus any other amount already paid by the Company on such outstanding principal amount of the relevant Convertible Bonds falls short of making up an internal rate of return of 15.0% per annum on the aggregate principal amount of the Convertible Bonds) such additional amount which would make up an internal rate of return of 15.0% per annum on the aggregate principal amount of the Convertible Bonds calculated from the relevant Issue Date until the date immediately preceding the relevant redemption date.

Redemption rights of the Bondholder on various grounds:

In any of the following cases, the Bondholder can require Company to redeem all but not part of the Convertible Bonds at 100.0% of the principal amount of the outstanding Convertible Bonds with (a) interest accrued but unpaid up to but excluding the redemption date and (b) (if the abovementioned amount plus any other amount already paid by the Company on such outstanding principal amount of the relevant Convertible Bonds falls short of making up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds) such additional amount which would make up an internal rate of return of 9.0% per annum on the aggregate principal amount of the Convertible Bonds calculated from the relevant Issue Date until the date immediately preceding the relevant redemption date.

(1) when the Shares cease to be listed or admitted to trading on the Stock Exchange; or (2) when the Group fails to enter into definitive agreement in relation to any investment opportunities within the pearlescent pigments and synthetic mica industry as accepted by both the Company and the Subscriber within two years from the relevant Issue Date (or any other later date as agreed by both the Company and the Bondholder); or (3) when any net proceeds from the Convertible Bond Issue are not used in accordance with the Fund Monitoring Agreement; or (4) when the Company defaults in the payment of any principal or interest due in respect of the Convertible Bonds and such default continues for more than 10 Business Days; or (5) if an order is made or an effective resolution passed for the winding-up or judicial management or dissolution or administration of the Company, or the Company ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Bondholder holding more than 50.0% of the total outstanding amount of the Convertible Bonds; or

(6) if it is or will become unlawful for the Company to perform or comply with any one or more of its material obligations under the Convertible Bonds; or (7) if there is an occurrence of any event or matter which have a material adverse effect on the results of operations, business, financial, prospect, properties or general affairs of the Group taken as a whole, or the financial condition of any one of the Guarantors and that the Company is not able to provide additional security acceptable by the Subscriber; or (8) if the Listing Committee has not granted the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Bonds on or before the first anniversary of the relevant Issue Date; or (9) if the Company has not rejected the Bondholder's request to convert the Convertible Bonds into the Conversion Shares, but the Company fails to deliver any Conversion Shares as and when the Conversion Shares are required to be delivered following conversion of any Convertible Bonds and such default continues for more than 10 Business Days.

Voting: The Bondholder will not be entitled to attend or vote at any general meeting of the Company in the capacity as the holder of the Convertible Bonds.

Listing: An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares, which may be issued and allotted upon the conversion of the Convertible Bonds.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

Joint guarantee: The Guarantors have conditionally and irrevocably guaranteed on a joint and several basis the due payments of all sums expressed to be payable by the Company under the Convertible Bonds.

CONVERSION PRICE

The initial Conversion Price of HK\$7.6 represents:

- (a) a premium of 90.0% over the closing price of HK\$4.00 per Share as quoted on the Stock Exchange on 28 December 2022 (being the trading day on which the Subscription Agreement has been entered into); and
- (b) a premium of 92.89% over the average closing prices of HK\$3.94 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 28 December 2022.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into consideration, among others, the prevailing market prices of the Shares, the business prospects of the Group in the medium term following the use of the net proceeds from the Convertible Bond Issue, the terms and conditions of the Subscription Agreement and the Convertible Bonds (including the interest, the internal rate of return and the adjustments for any Adjustment Events).

The Directors consider that the Conversion Price and the terms and conditions of the Subscription Agreement and the Convertible Bonds are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

EFFECT OF THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

The following table illustrates (a) the existing shareholding structure of the Company as of the date of this announcement and (b) the shareholding structure of the Company assuming full conversion of the maximum aggregate principal amount of CNH500.0 million of the Convertible Bonds at the initial Conversion Price; on the assumption that (i) there will be no other changes to the share capital of the Company from the date of this announcement until the conversion of the Convertible Bonds in full, save for the allotment and issue of the Conversion Shares as a result of the conversion of the Convertible Bonds in full and (ii) the Subscriber does not and will not hold any Shares other than the Conversion Shares as a result of the conversion of the Convertible Bonds in full.

Shareholder	As of the date of this announcement		Assuming full conversion of the maximum aggregate principal amount of CNH500.0 million of the Convertible Bonds at the initial Conversion Price of HK\$7.6	
	<i>No. of Shares</i>	<i>% of the issued Shares</i>	<i>No. of Shares</i>	<i>% of the issued Shares</i>
Directors				
- Mr. SU Ertian <i>(Note 1)</i>	428,071,948	35.92%	428,071,948	33.85%
- Mr. BAI Zhihuan <i>(Note 2)</i>	694,000	0.06%	694,000	0.05%
- Mr. HU Yongxiang <i>(Note 3)</i>	19,285,200	1.62%	19,285,200	1.53%
Substantial Shareholder				
- Guangxi Investment Group Co., Ltd. <i>(Note 4)</i>	184,762,344	15.50%	184,762,344	14.61%
Public Shareholders	558,950,094	46.90%	558,950,094	44.19%
The Subscriber	—	—	73,026,316	5.77%
Total	1,191,763,586	100%	1,264,789,902	100%

Notes:

- (1) Mr. SU is the Chairman and the Chief Executive Officer of the Group and an executive Director. As of the date of this announcement, Mr. SU is deemed to be interested in 428,071,948 Shares through certain corporations. Mr. JIN Zengqin, an executive Director, is deemed to be interested in 52,976,148 Shares through two corporations controlled by Mr. SU and him as of the date of this announcement.

- (2) Mr. BAI Zhihuan is an executive Director. As of the date of this announcement, Mr. BAI Zhihuan owns 694,000 Shares.
- (3) Mr. HU Yongxiang is a non-executive Director. As of the date of this announcement, Mr. HU Yongxiang is deemed to be interested in 19,285,200 Shares through a corporation.
- (4) As of the date of this announcement, Guangxi Investment Group Co., Ltd. is deemed to be interested in 184,762,344 Shares through certain corporations.

PROPOSED USE OF THE NET PROCEEDS FROM THE CONVERTIBLE BOND ISSUE

Assuming that the maximum aggregate principal amount of the Convertible Bonds is issued and completed, the gross proceeds from the Convertible Bond Issue will be CNH500.0 million. The estimated net proceeds from the Convertible Bond Issue, after deduction of the estimated expenses, amount to CNH491.5 million. The net proceeds will be used for the investment opportunities within the pearlescent pigments and synthetic mica industry as accepted by both the Company and the Subscriber. The Fund Monitoring Agent shall monitor the use of the proceeds pursuant to the Fund Monitoring Agreement.

REASONS FOR THE CONVERTIBLE BOND ISSUE

The Directors consider that the Convertible Bond Issue is appropriate to raise additional equity as it will provide the Company with additional funds without increasing its leverage for financing the Group's exploration of investment opportunities. The Directors consider that the terms of the Subscription Agreement and the Conditions are entered into on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the Convertible Bond Issue is in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Company is an investment holding company. The Group is principally engaged in the business of production and sales of pearlescent pigment products and synthetic mica powder in the PRC.

Chesir Pearl is a non-wholly owned subsidiary of the Company. Chesir Pearl is principally engaged in manufacturing and sales of pearlescent pigment products and synthetic mica powder in the PRC.

INFORMATION ABOUT THE SUBSCRIBER

According to the information provided by the Subscriber and to the best knowledge, information and belief of the Directors having made reasonable enquiries:

- (1) the Subscriber is an investment holding company incorporated in Hong Kong with limited liability. It is ultimately owned by The Shenzhen Finance Bureau;
- (2) as of the date of this announcement, the Subscriber and its ultimate beneficial owner are Independent Third Parties; and
- (3) before entering into the Subscription Agreement, except as disclosed above, neither the Subscriber nor its associates have any other interests in the Shares or any business dealings with the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has been listed on the Stock Exchange since 16 July 2021. The Company has not carried out any equity fund-raising activities during the 12 months immediately preceding the date of this announcement.

GENERAL MANDATE

The Conversion Shares will be allotted and issued pursuant to the General Mandate. By a resolution of the Shareholders passed at the annual general meeting of the Company held on 24 June 2022, the Shareholders approved the General Mandate granted to the Directors to allot and issue up to 20% of the total number of Shares in issue on 24 June 2022. The number of Shares that may be allotted and issued under the General Mandate is 238,352,717 Shares.

As of the date of this announcement, no portion of the General Mandate has been utilised and the General Mandate is sufficient for the allotment and issuance of the Conversion Shares. The issue of the Conversion Shares is not subject to any additional specific approval by the Shareholders.

Based on the initial Conversion Price of HK\$7.6 and assuming full conversion of the maximum aggregate principal amount of CNH500.0 million of the Convertible Bonds, 73,026,316 Shares will be allotted and issued by the Company, representing 30.6% of the numbers of Shares that may be issued under the General Mandate.

IMPLICATIONS UNDER THE LISTING RULES

As Hongzun Investment is one of the controlling shareholders (as such term is defined under the Listing Rules) of the Company and Mr. SU, the Chairman and the Chief Executive Officer of the Group and an executive Director, is the chairman of Hongzun Investment, the provision of the guarantee by Hongzun Investment will constitute a connected transaction in the form of financial assistance in favour of the Company. However, as the provision of the guarantee by Hongzun Investment is not secured by any assets of the Group, and as the Directors consider that the provision of the guarantee by Hongzun Investment is on normal commercial terms or better, the provision of guarantee by Hongzun Investment is fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Completion of the Subscription Agreement is subject to the satisfaction, and/or waiver, of certain conditions precedent therein. Accordingly, the Subscription Agreement may or may not proceed to completion, and the Convertible Bonds and/or the Conversion Shares may or may not be issued. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

- “Adjustment Event(s)”** any of the following events, consolidation, reclassification or subdivision, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities of the Company, issues at less than current market price, other issues at less than current market price, modification of rights of conversion, other offers to Shareholders and other matters as determined by the Company;
- “Board”** board of Directors;
- “Bondholder(s)”** holder(s) of the Convertible Bonds;

“Business Day”	a day, other than a Saturday, Sunday and public holiday and a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours;
“CNH”	Offshore Chinese Yuan, the lawful currency of the PRC traded outside the PRC;
“Chesir Pearl”	Guangxi Chesir Pearl Material Co., Ltd. (廣西七色珠光材料股份有限公司), a non-wholly owned subsidiary of the Company established in the PRC;
“Company”	Global New Material International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 06616);
“Completion Date”	refers to the Tranche A Completion Date in respect of the Tranche A Convertible Bond and the Tranche B Completion Date in respect of the Tranche B Convertible Bond;
“Conditions”	the terms and conditions to the Convertible Bonds;
“Conversion Period”	the period commencing from the later of (i) the first day of the 40th month after the relevant Issue Date and (ii) the date on which the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the applicable Convertible Bonds having been granted by the Listing Committee of the Stock Exchange to the date immediately before the relevant Maturity Date (both dates inclusive);
“Conversion Price”	the price per Conversion Share at which the Conversion Shares will be issued upon conversion of the Convertible Bonds which will initially be HK\$7.6 per Share and will be subject to adjustment in the manner provided for in the Conditions, including for any Adjustment Events;

“Conversion Shares”	new Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds;
“Convertible Bond Issue”	the issue of the Convertible Bonds by the Company pursuant to the Subscription Agreement;
“Convertible Bonds”	the Tranche A Convertible Bond and the Tranche B Convertible Bond;
“Director(s)”	director(s) of the Company;
“Fund Monitoring Agent”	Essence International Financial Holdings Limited (安信國際金融控股有限公司), an investment holding company incorporated in Hong Kong with limited liability, whose ultimate beneficial owner is SDIC Capital Co., Ltd. (國投資本股份有限公司), a company listed on the Shanghai Stock Exchange (600061.SH), an Independent Third Party;
“Fund Monitoring Agreement”	the agreement entered into among the Company, the Subscriber and the Fund Monitoring Agent, on 28 December 2022, pursuant to which the Fund Monitoring Agent shall monitor the use of the proceeds from the Convertible Bond Issue;
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 24 June 2022 to allot and issue up to 20% of the total number of the Shares in issue at the time;
“Group”	the Company and its subsidiaries;
“Guarantors”	Chesir Pearl and Hongzun Investment;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hongzun Investment”	Guangxi Hongzun Investment Group Co., Ltd. (廣西鴻尊投資集團有限公司), a company established under the laws of the PRC with limited liability and is one of the controlling shareholders (within the meaning ascribed to it under the Listing Rules) of the Company;

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons (as defined in the Listing Rules) of the Company;
“Issue Date”	the respective date of issuance of the Tranche A Convertible Bond and the Tranche B Convertible Bond, being the Tranche A Completion Date or the Tranche B Completion Date, respectively;
“Listing Committee”	has the meaning as defined in the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Maturity Date”	the fourth anniversary of the relevant Issue Date;
“Mr. SU”	Mr. SU Ertian, the Chairman and the Chief Executive Officer of the Group and an executive Director;
“PRC”	The People’s Republic of China (for the purpose of this announcement and for geographical reference only does not include Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan);
“Shareholder”	holder(s) of the Share(s);
“Shares”	ordinary share(s) of HK\$0.10 each in the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Hong Kong Boyue International Investment Fund Co., Limited (香港博約國際按貸基金有限公司), a company incorporated in Hong Kong with limited liability, whose ultimate beneficial owner is The Shenzhen Finance Bureau, an Independent Third Party;
“Subscription Agreement”	the subscription agreement dated 28 December 2022 entered into between the Company and the Subscriber in relation to the Convertible Bond Issue;

“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Tranche A Completion Date”	30 December 2022 (or such later date as may be agreed by the Company and the Subscriber);
“Tranche A Convertible Bond”	the 3.50% coupon convertible bonds in the aggregate principal amount of CNH300.0 million due on the fourth anniversary of the Tranche A Completion Date to be issued by the Company pursuant to the Subscription Agreement;
“Tranche A Long Stop Date”	31 March 2023 (or such other later date as may be agreed by the Company and the Subscriber);
“Tranche B Completion Date”	15 February 2023 (or such later date as may be agreed by the Company and the Subscriber);
“Tranche B Convertible Bond”	the 3.50% coupon convertible bonds in the aggregate principal amount of not more than CNH200.0 million due on the fourth anniversary of the Tranche B Completion Date to be issued by the Company pursuant to the Subscription Agreement;
“Tranche B Long Stop Date”	31 March 2023 (or such other later date as may be agreed by the Company and the Subscriber); and
“%”	per cent.

By order of the Board
Global New Material International Holdings Limited
SU Ertian
Chairman and Chief Executive Officer

Hong Kong, 28 December 2022

For the purpose of this announcement, translations of CNH into HK\$ or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to CNH0.9009. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As of the date of this announcement, the Board comprises Mr. SU Ertian (Chairman and Chief Executive Officer), Mr. JIN Zengqin, Mr. ZHOU Fangchao, Mr. BAI Zhihuan (Vice President) and Ms. ZENG Zhu as executive Directors, Mr. HU Yongxiang as non-executive Director and Mr. HUI Chi Fung, Professor HAN Gaorong and Mr. LEUNG Kwai Wah Alex as independent non-executive Directors.