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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)**

## **ANNOUNCEMENT**

### **PROPOSED ISSUANCE OF HKD-DENOMINATED CONVERTIBLE BONDS UNDER GENERAL MANDATE**

*Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*



On 15 December 2025 (after trading hours), the Company and the Managers entered into the Subscription Agreement, pursuant to which the Company has agreed to issue, and the Managers have conditionally agreed to subscribe or procure subscribers to purchase and pay for, the Convertible Bonds in an aggregate principal amount of HK\$1,000 million, subject to the conditions set forth in the Subscription Agreement. The issue price of the Convertible Bonds will be 100.00% of the aggregate principal amount of the Convertible Bonds and the denomination of each Convertible Bond will be HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof.

Based on the initial Conversion Price of HK\$10.19 per Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price and that no other Shares are issued and no Shares are repurchased, the Convertible Bonds will be convertible into approximately 98,135,426 Conversion Shares, representing approximately 7.92% of the total number of Shares in issue as of the date of this announcement and approximately 7.34% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the Shares then in issue.

An application will be made to the Vienna MTF operated by the Vienna Stock Exchange (or such other internationally recognised stock exchange as the Company may from time to time determine) for the listing and quotation of the Convertible Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Convertible Bonds.

The Net Proceeds will be approximately HK\$981 million, and the Company intends to apply the Net Proceeds for replenishment of working capital, refinancing existing indebtedness and general corporate purposes.

The Conversion Shares will be allotted and issued pursuant to the General Mandate. The issue and subscription of the Convertible Bonds and the issue of the Conversion Shares by the Company are not subject to further approval of the Shareholders.

**Completion of the issue and subscription of the Convertible Bonds is subject to the satisfaction and/or waiver of the conditions precedent set forth in the Subscription Agreement. In addition, the Subscription Agreement may be terminated in certain circumstances as described below.**

**As the issue and subscription of the Convertible Bonds may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

On 15 December 2025 (after trading hours), the Company and the Managers entered into the Subscription Agreement, pursuant to which the Company has agreed to issue, and the Managers have conditionally agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds in an aggregate principal amount of HK\$1,000 million, subject to the terms and conditions set forth in the Subscription Agreement. The issue price of the Convertible Bonds will be 100.00% of the aggregate principal amount of the Convertible Bonds and the denomination of each Convertible Bond will be HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof.

## SUBSCRIPTION AGREEMENT

The following sets forth the principal terms and conditions of the Subscription Agreement:

Date: 15 December 2025

Parties: The Company (as the issuer) and the Managers

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the respective Managers are an Independent Third Party.

Proposed issue of the Convertible Bonds: Subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement, the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Convertible Bonds at the issue price in an aggregate principal amount of HK\$1,000 million.

Conditions precedent: The obligations of the Managers to subscribe and pay for the Convertible Bonds are conditional on, among others, the following conditions precedent:

1. **Other contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and Agency Agreement, each in a form reasonably satisfactory to the Managers, by the respective parties;
2. **Due diligence:** the Managers being satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries;

3. **Compliance:** on the Closing Date:
- (i) the representations and warranties of the Company in the Subscription Agreement being true and accurate at, and as if made on such date;
  - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
  - (iii) there having been delivered to the Managers a certificate in the form attached in the Subscription Agreement in relation to confirming no material adverse change, dated as of such date, of a duly authorised officer of the Company to such effect;
4. **Material Adverse Change:** after the date of the Subscription Agreement up to and on the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change) which is materially adverse to the financial condition, prospects, results of operations or general affairs of the Company or of the Consolidated Group as a whole, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Convertible Bonds;
5. **Listing:** the Stock Exchange having agreed, subject to any conditions (if any) reasonably satisfactory to the Managers, to list the Conversion Shares (or the Managers being reasonably satisfied that such listing will be granted);
6. **Shareholders' Lock-up:** Hongzun International shall have executed and delivered to the Managers the Shareholder's Lock-Up Undertaking on the date of the Subscription Agreement in the form set forth in the Subscription Agreement;
7. **Legal Opinions:** on or before the Closing Date, there having been delivered to the Managers opinions, in form and substance satisfactory to the Managers, dated the Closing Date, of the respective legal advisors to the Company and the Managers;

8. ***Fee Letters:*** on or before the Closing Date, there having been delivered to each Manager the relevant fee letter, executed by the relevant parties therein; and
9. ***CSRC Filing:*** on or prior to the Issue Date, the agreed and final or substantially complete drafts of the documentation in relation to the CSRC Filings, in form and substance satisfactory to the Managers, having been delivered to the Managers.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above conditions precedent (apart from paragraph 1).

As of the date of this announcement, none of the above conditions precedent has been waived.

Completion: Completion of the issue of the Convertible Bonds will take place on the Closing Date, subject to the conditions precedent above.

Distribution: The Managers have informed the Company that they intend to offer and sell the Convertible Bonds to no less than six independent Placees, who are professional investors (as defined in the SFO). The Convertible Bonds will not be offered or sold to the public (within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) in Hong Kong.

The Convertible Bonds will only be offered and sold in an offering outside the United States in reliance on Regulation S of the U.S. Securities Act. To the best of the Directors' knowledge, information and belief as of the date of this announcement, each of the Placees (and their respective ultimate beneficial owners) is an Independent Third Party.

Company's lock-up  
undertakings:

Neither the Company nor any person acting on its behalf  
will:

- (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Convertible Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Convertible Bonds, the Shares or securities of the same class as the Convertible Bonds, the Shares or other instruments representing interests in the Convertible Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the issuance of the Convertible Bonds and the Conversion Shares, (ii) any Shares issued on conversion of the 2022 Convertible Bonds, (iii) any Shares to be allotted and issued for the acquisition of 2.57% of the equity interest of Chesir Pearl or (iv) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Company or any of its subsidiaries pursuant to any employee share scheme or plan existing as at the date of the Subscription Agreement (including the 2021 Share Option Scheme).

Shareholder's lock-up  
undertakings:

Hongzun International undertakes that, for a period commencing from the date of the Shareholder's Lock-up Undertaking to 90 days after the Closing Date, without the prior written consent of the Managers, except for any existing or newly created pledge of the Shareholder's Lock-up Shares (or any release of existing or newly created pledge over Shareholder's Lock-up Shares), it will not:

- (a) offer, sell, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shareholder's Lock-up Shares or securities of the same class as the Shareholder's Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Shareholder's Lock-up Shares or securities of the same class as Shareholder's Lock-up Shares or other instruments representing interests in Shareholder's Lock-up Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Shareholder's Lock-up Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shareholder's Lock-up Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing.

Termination:

Notwithstanding anything contained in the Subscription Agreement, the Managers may give a termination notice to the Company at any time prior to the payment of the Net Proceeds of the issue of the Convertible Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or inaccurate in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions precedent in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (c) if on or prior to the Closing Date:
  - (i) in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market; or



- (ii) in the opinion of the Managers, there shall have occurred any of the following events: (a) a suspension or a material limitation in trading in securities generally on Shenzhen Stock Exchange, the Singapore Exchange Securities Trading Limited, the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange, the Vienna Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (b) a suspension or a material limitation in trading in the Company's securities on the Shenzhen Stock Exchange, the Stock Exchange, the Vienna Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (c) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong, Singapore, the European Union (or any member thereof) and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore, the European Union (or any member thereof) or the United Kingdom; or (d) a change or development involving a prospective change in taxation affecting the Company, the Convertible Bonds and the Shares to be issued upon conversion of the Convertible Bonds or the transfer thereof; or
- (iii) in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

## TERMS AND CONDITIONS

The principal Terms and Conditions are summarised as set forth below:

Issuer:	The Company
Convertible Bonds:	HKD-denominated 4.25% convertible bonds due 2027 in the aggregate principal amount of HK\$1,000 million convertible into fully-paid Shares
Maturity date:	4 January 2027
Issue Price:	100.00% of the principal amount of the Convertible Bonds
Interest:	Interest on the Convertible Bonds is payable at the rate of 4.25% per annum, payable quarterly in arrear on 6 April 2026, 6 July 2026, 6 October 2026 and the Maturity Date, beginning on 6 April 2026.
Form and denomination:	<p>The Convertible Bonds are in registered form in the denomination of HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof.</p> <p>Upon issue, the Convertible Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.</p>
Conversion Right:	<p>Subject to and upon compliance with the Terms and Conditions, each Bondholder has the right to convert his/her Convertible Bond(s) into Conversion Shares credited as fully paid at any time during the Conversion Period.</p> <p>The number of Conversion Shares will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the conversion date.</p>

Conversion Period:

Subject to and upon compliance with the Terms and Conditions, the Conversion Right in respect of a Convertible Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after 7 January 2026 up to the close of business (at the place where the Certificate evidencing such Convertible Bond is deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in Terms and Conditions, in no event thereafter) or, if such Convertible Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the holder of such Convertible Bond pursuant to Terms and Conditions, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice requiring redemption.

Conversion Price:

Initially HK\$10.19 per Share, subject to adjustment for (a) consolidation, reclassification or subdivision of Shares, (b) capitalisation of profits or reserves of the Company, (c) distributions to Shareholders, (d) rights issues of Shares or options over Shares, (e) rights issues of other securities of the Company, (f) issues of Shares at less than 95% of Current Market Price, (g) issues of other securities which carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share at less than 95% of Current Market Price, (h) modification of rights of conversion etc. of securities mentioned in (g) above so that following such modification the consideration per Share is at less than 95% of Current Market Price, (i) other offers to Shareholders and (j) any other event or circumstance for which the Company has determined that an adjustment to the Conversion Price should be made.

Notwithstanding any provision in the Terms and Conditions, no adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered, allotted or granted to employees (including directors) of the Company or any subsidiary of the Company pursuant to any share option, share award, restricted share or employee incentive scheme or plan which is in compliance with the Listing Rules or, if applicable, the listing rules of an Alternative Stock Exchange (the “**Share Scheme Shares/Options**”), unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to the Terms and Conditions) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period up to and including the date of such grant representing, in aggregate, over 1% of the average number of issued and outstanding Shares during such 12-month period, in which case only such portion of grant or issue of Share Scheme Shares/Options that exceeds 1% of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining any adjustment of the Conversion Price pursuant to the Terms and Conditions.

If an adjustment is required to be made to the initial Conversion Price in accordance with the Terms and Conditions, the Company will comply with the applicable Listing Rules and a further announcement will be made by the Company in accordance with the Listing Rules.

**Redemption at Maturity:**

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Convertible Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date. The Company may not redeem the Convertible Bonds at its option prior to that date except as provided in the Terms and Conditions.

Redemption at the Option  
of the Company:

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with the Terms and Conditions (which notice will be irrevocable), the Company may at any time prior to the Maturity Date redeem in whole, but not in part, the Convertible Bonds for the time being outstanding at their principal amount, together with interest accrued but unpaid up to but excluding the date fixed for redemption, provided that prior to the date of such notice at least 90% in principal amount of the Convertible Bonds originally issued (which shall for this purpose include any further Convertible Bonds issued pursuant to the Terms and Conditions) has already been converted, redeemed or purchased and cancelled.

Redemption for Taxation  
Reasons:

The Company may redeem all and not some only of the Convertible Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Company satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (a) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of Hong Kong, the PRC or the Cayman Islands, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 December 2025, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Convertible Bonds then due.

Prior to the publication of any Tax Redemption Notice pursuant to the Terms and Conditions, the Company shall deliver to the Trustee (1) a certificate in English signed by an authorised signatory of the Company stating that the obligation referred to in (a) above cannot be avoided by the Company taking reasonable measures available to it and (2) an opinion of independent legal or tax advisers of recognised standing issued to the effect that the Company has, or would become obligated to pay such additional tax amounts as a result of such change or amendment referred to above in the Terms and Conditions. The Trustee shall be entitled (without further investigation or query and without liability to Bondholders or any other person) to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (a) and (b) above of the Terms and Conditions, in which event the same shall be conclusive and binding on the Bondholders.

On the Tax Redemption Date, the Company (subject to the Terms and Conditions) shall redeem the Convertible Bonds at their principal amount together with interest accrued but unpaid up to but excluding the Tax Redemption Date (if any).

If the Company gives a Tax Redemption Notice pursuant to the Terms and Conditions, each Bondholder will have the right to elect that his Convertible Bond(s) shall not be redeemed and that the provisions of the Terms and Conditions shall not apply in respect of any payment of principal, premium (if any) or interest (if any) to be made in respect of such Convertible Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Company in respect thereof pursuant to Terms and Conditions and payment of all amounts by the Company to such holder in respect of such Convertible Bond(s) shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to the Terms and Conditions, the holder of the relevant Convertible Bond must complete, sign and deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant paying agent)) at the specified office of any paying agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any paying agent together with the Certificate evidencing the relevant Convertible Bond(s) on or before the day falling 10 days prior to the Tax Redemption Date. Such notice of exercise from the Bondholder, once delivered, shall be irrevocable and may not be withdrawn without the Company's written consent.

Redemption for Delisting or  
Change of Control:

Following the occurrence of a Relevant Event (as defined below), the holder of each Convertible Bond will have the right, at such holder's option, to require the Company to redeem all or some only of such holder's Convertible Bond on the Relevant Event Put Date (as defined below) at their principal amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the holder of the relevant Convertible Bond must deposit during usual business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant paying agent)) at the specified office of any paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent, together with the Certificate evidencing the Convertible Bonds to be redeemed by not later than (i) 60 days following a Relevant Event, or, if later, (ii) 60 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the Terms and Conditions. The **"Relevant Event Put Date"** shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

**"Relevant Event"** occurs (i) when the Shares cease to be listed or admitted to trading or are suspended for trading on the Main Board of the Stock Exchange for a period equal to or exceeding 30 consecutive trading days; or (ii) when there is a Change of Control.



Negative Pledge:

So long as any Convertible Bond remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its Material Subsidiaries (other than the Listed Material Subsidiaries or a Subsidiary of any Listed Material Subsidiary, if applicable) will, create or permit to subsist any Security Interest other than Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Convertible Bonds equally and rateably therewith by the same Security Interest or (b) providing such other security, guarantee or other arrangement for the Convertible Bonds as may be approved by an extraordinary resolution of the Bondholders.

Transferability:

The Convertible Bonds may, subject to the Terms and Conditions and the terms of the Agency Agreement, be transferred in whole or in part in the denomination of HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof. Transfers of interests in the Convertible Bonds evidenced by the global certificate will be effected in accordance with the rules of the relevant clearing systems.

Status:

The Convertible Bonds will constitute direct, unconditional, unsubordinated and (subject to the negative pledge as described above) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge as described above, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

## CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$10.19 per Share represents:

- a premium of approximately 7.49% over the closing price of HK\$9.48 per Share as quoted on the Stock Exchange on 15 December 2025 (being the trading day on which the Subscription Agreement was signed);
- a premium of approximately 9.17% over the average closing price of approximately HK\$9.33 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 December 2025 (being the trading day on which the Subscription Agreement was signed); and
- a premium of approximately 9.72% over the average closing price of approximately HK\$9.29 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 15 December 2025 (being the trading day on which the Subscription Agreement was signed).

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Subscription Agreement and was negotiated on an arm's length basis between the Company and the Managers.

Based on the initial Conversion Price of HK\$10.19 per Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price and that no other Shares are issued and no Shares are repurchased, the Convertible Bonds will be convertible into approximately 98,135,426 Conversion Shares, representing approximately 7.92% of the total number of Shares in issue as of the date of this announcement and approximately 7.34% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the General Mandate and will be fully-paid and rank *pari passu* in all respects with the Shares then in issue.

Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Convertible Bond is exercised at any one time such that Conversion Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued shall be calculated on the basis of the aggregate principal amount of such Convertible Bonds being so converted and rounded down to the nearest whole number of Shares.

The Company does not hold any Shares as treasury shares.

## LISTING

The Company will make or cause to be made an application for the Convertible Bonds to be listed on the Vienna MTF operated by the Vienna Stock Exchange (or such other internationally recognised stock exchange as the Company may from time to time determine). The Company will also make or cause to be made an application for the Conversion Shares to be listed on the Stock Exchange.

## USE OF NET PROCEEDS

The Net Proceeds from the issue of the Convertible Bonds will be approximately HK\$981.0 million. The Company intends to use the Net Proceeds from the issuance of the Convertible Bonds for replenishment of working capital, refinancing existing indebtedness and general corporate purposes.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table summarises the potential effects on the shareholding structure of the Company as a result of the issue of the Convertible Bonds assuming full conversion of the Convertible Bonds and that no other Shares are issued and no Shares are repurchased:

	As of the date of this announcement		Assuming that the Convertible Bonds are fully converted into the Conversion Shares at the initial Conversion Price and no other Shares are issued and repurchased (for cancellation or otherwise)	
	Number of Shares	Approximate % of the total number of Shares in issue	Number of Shares	Approximate % of the total number of Shares in issue
<b>Directors</b>				
Dr SU Ertian	439,636,948	35.48	439,636,948	32.88
Mr LIM Kwang Su	13,481,181	1.09	13,481,181	1.01
Mr HU Yongxiang	19,015,200	1.53	19,015,200	1.42
Public Shareholders	766,736,803	61.90	766,736,803	57.35
<b>Bondholders</b>	—	—	98,135,426	7.34
<b>Total number of Shares in issue</b>	<u>1,238,870,132</u>	<u>100.00</u>	<u>1,337,005,558</u>	<u>100.00</u>

## **REASONS FOR AND BENEFITS OF THE ISSUE OF THE CONVERTIBLE BONDS**

The Board considers that the issue of the Convertible Bonds will enable the Company to raise additional financing on acceptable terms and diversify the funding source of the Group. The Net Proceeds will also support the ongoing business development of the Group.

The Directors consider the terms of the Subscription Agreement and the Convertible Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **GENERAL MANDATE**

Based on the initial Conversion Price of HK\$10.19 and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into a maximum of approximately 98,135,426 Conversion Shares.

By resolutions of the Shareholders passed at the annual general meeting held on 27 June 2025, the Directors have been granted the General Mandate. As of the date of this announcement, no Shares have been issued or committed to be issued pursuant to the General Mandate. Accordingly, as of the date of this announcement, the number of Shares that the Company may issue pursuant to the General Mandate is 247,774,026 Shares, representing 20% of the total number of Shares in issue (1,238,870,132 Shares) as of the date on which the General Mandate was granted to the Directors. The Conversion Shares will be allotted and issued under such General Mandate and no additional approval from Shareholders of the Company will be required.

## **EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS**

As disclosed in the announcement of the Company dated 24 May 2025, Chesir Luzhai raised additional capital of RMB500 million from an Independent Third Party. As of the date of this announcement, Chesir Luzhai has utilised the entire net proceeds of RMB500 million.

As disclosed in the announcement of the Company dated 28 November 2025, the Company intends to allot and issue 9,571,649 new Shares under a specific mandate to be sought at the extraordinary general meeting proposed to be held for the acquisition of 2.57% of the equity interest of Chesir Pearl.

Save for the above, the Board confirms that there has not been any equity fund-raising activity conducted by the Company in the past twelve months immediately preceding the date of this announcement.

## **INFORMATION ON THE COMPANY**

The Company, being the proposed issuer of the Convertible Bonds, is an investment holding company with the Shares listed on the Stock Exchange. The Group is principally engaged in the business of the production and sales of pearlescent pigment products and functional mica filler and related products in the PRC and Korea. The Group offers to its customers a range of pearlescent pigment products, namely (a) natural mica-based pearlescent pigment products; (b) synthetic mica-based pearlescent pigment products; (c) glass flake-based pearlescent pigment products; (d) silicon oxide-based pearlescent pigment products; (e) aluminium oxide-based pearlescent pigment products; and (f) aluminium-based pearlescent products. On 31 July 2025, the Group completed the acquisition of the Worldwide Business. This strategic integration brings key technologies and market resources to the Group, accelerates its internationalisation and enhances its global brand influence. The acquisition also establishes a global network of research and development and manufacturing bases across five locations: PRC, Germany, Korea, Japan and the United States.

**Completion of the issue and subscription of the Convertible Bonds is subject to the satisfaction and/or waiver of the conditions precedent set forth in the Subscription Agreement. In addition, the Subscription Agreement may be terminated in certain circumstances as described below.**

**As the issue and subscription of the Convertible Bonds may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“2021 Share Option Scheme”	the share option scheme conditionally of the Company approved on 2 June 2021;
“2022 Convertible Bonds”	the convertible bonds in the principal amount of CNH30,000,000 issued by the Company on 30 December 2022;
“Agency Agreement”	the paying, conversion and transfer agency agreement to be entered into not later than the Closing Date between the Company, the Trustee and the agents named therein for the purpose of the Convertible Bonds;
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;
“Board”	the board of Directors;
“Bondholder”	the person in whose name the Convertible Bonds are registered;
“Certificate”	a bond certificate;
“Change of Control”	<p>the occurrence of any of the following:</p> <ul style="list-style-type: none"><li>(i) any Person or Persons acting together acquires Control of the Company if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Company on the Issue Date;</li><li>(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity; or</li></ul>

	(iii) one or more Persons acquires the beneficial ownership of all or substantially all of the Company's issued share capital;
“Chesir Luzhai”	Luzhai Chesir Pearl Mica Material Co., Ltd (鹿寨七色珠光雲母材料有限公司), a company established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of Chesir Pearl;
“Chesir Pearl”	Guangxi Chesir Pearl Material Co., Ltd. (廣西七色珠光材料股份有限公司), a sino-foreign equity joint venture established under the laws of the PRC with limited liability and a non-wholly owned subsidiary of the Company holding approximately 97.19% of its equity interest;
“Closing Date”	6 January 2026, or another date not later than 20 January 2026, as the Company and Managers may agree;
“Closing Price”	for the Shares for any trading day shall be the price published in the daily quotation sheet published by the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;
“CNH”	Offshore Chinese Yuan, the lawful currency of the PRC traded outside the PRC;
“Company”	Global New Material International Holdings Limited (环球新材国际控股有限公司), a company incorporated in the Cayman Islands with the Shares listed on the Stock Exchange (stock code: 06616);
“Consolidated Group”	the Company and its consolidated subsidiaries taken as a whole;
“Control”	the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms “Controlling” and “Controlled” shall have meanings correlative to the foregoing;

“Conversion Price”	the price at which Conversion Shares will be issued upon the conversion of any Convertible Bond;
“Conversion Share(s)”	the Share(s) to be issued upon conversion of the Convertible Bond(s) pursuant to the Trust Deed and the Terms and Conditions;
“Convertible Bonds”	HKD-denominated convertible bonds proposed to be issued by the Company which are convertible at the option of the holders into fully paid Shares;
“CSRC Filings”	the regulatory filings that are required to be filed with the China Securities Regulatory Commission in the PRC;
“Current Market Price”	<p>in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive trading days ending on the trading day immediately preceding such date; provided that if at any time during the said 20 trading day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:</p> <p>(a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or</p> <p>(b) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share,</p>



and provided further that if the Shares on each of the said 20 trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share and provided further that:

- (i) if such Closing Prices are not available on each of the 20 trading days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and
- (ii) if only one or no such Closing Price is available in the relevant period, then the Current Market Price shall be determined in good faith by an independent investment bank;

“Directors”

the directors of the Company;

“Fair Market Value”

with respect to any security on any date, the fair market value of that security as determined by an independent investment bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend (in which case no determination by an independent investment bank would be required); (ii) the fair market value of any other cash amount shall be equal to such cash amount (in which case no determination by an independent investment bank would be required); and (iii) where securities are or will be publicly traded in a market of adequate liquidity (as determined by such independent investment bank) the fair market value of such securities shall equal the arithmetic mean of the daily closing prices of such securities during the period of five trading days on the relevant market commencing on the first such trading day as such securities are publicly traded;

“General Mandate”	the general mandate granted to the Directors on 27 June 2025 to issue new Shares of not more than 20% of the then total number of the Shares in issue as of the same date, subject to such extension as described in the resolutions approved by the Shareholders on the same date;
“Group”	the Company and its subsidiaries;
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Hongzun International”	Hongzun Int Investment Group Ltd. (鴻尊國際投資集團股份有限公司), a company established under the laws of the PRC with limited liability and owned as to 99.0% by Dr SU Ertian and 1.0% by Ms WANG Huan, the spouse of Dr SU Ertian;
“Independent Third Party”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
“Issue Date”	6 January 2026;
“Listed Material Subsidiary”	any Material Subsidiary, the shares of which are at the relevant time listed on the Stock Exchange or any other stock exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (and any amendments thereto);
“Managers”, “Joint Global Coordinators”, “Joint Bookrunners” or “Joint Lead Managers”	The Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG, Hong Kong Branch;

“Material Subsidiary”

subject to and as further described in the Terms and Conditions, any Subsidiary of the Company:

- (i) whose revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose profit before tax (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represents not less than 5% of the consolidated revenue, the consolidated profit before tax or, as the case may be, the consolidated total assets of the Company and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Company; or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary; and (b) the transferee Subsidiary shall immediately become a Material Subsidiary;

“Maturity Date”

4 January 2027;

“Net Proceeds”

estimated net proceeds from the issue of the Convertible Bonds, after deduction of commission and expenses in connection with the issue of the Convertible Bonds;

“Permitted Security Interest”	(i) any Security Interest over any assets (or related documents of title) purchased by the Company or any Material Subsidiary as security for all or part of the purchase price of such assets and any substitute Security Interest created on those assets in connection with the financing and/or refinancing (together with interest, fees and other charges attributable to such financing and/or refinancing) of the indebtedness secured on those assets; and (ii) any Security Interest over any assets (or related documents of title) purchased by the Company or any Material Subsidiary subject to such Security Interest and any substitute Security Interest created on those assets in connection with the financing and/or refinancing (together with interest, fees and other charges attributable to such financing and/or refinancing) of the indebtedness secured on those assets;
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include members of the board of directors of the Company (or their respective heirs, executors or assigns) or any other governing board and does not include the wholly owned direct or indirect Subsidiaries of the Company;
“Placees”	any professional investors (as defined under the SFO) procured by the Managers to subscribe for any Convertible Bonds pursuant to the obligations under the Subscription Agreement;
“PRC”	The People’s Republic of China, which shall for the purpose of this announcement only, exclude Hong Kong, The Macau Special Administrative Region and Taiwan;
“Principal Agent”	The Hongkong and Shanghai Banking Corporation Limited; as principal paying agent and principal conversion agent, which expression shall include its successors and all persons appointed from time to time in connection with the Convertible Bonds;

“Relevant Indebtedness”	any indebtedness in the form of and represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (whether or not initially distributed by way of private placement) having an original maturity of more than one year from its date of issue but shall not include (i) indebtedness incurred in the PRC, or (ii) bilateral loans, syndicated loans or club deal loans;
“Security Interest”	any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other arrangement with similar economic effect;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Shareholder’s Lock-up Shares”	in respect of the Shareholder’s Lock-up Undertaking to be executed by Hongzun International, the 301,155,800 Shares in aggregate held by it, which in aggregate represent approximately 24.3089% of the existing issued share capital of the Company;
“Shareholder’s Lock-up Undertaking”	a lock-up undertaking to be made on or before the Closing Date in favour of the Managers by Hongzun International in respect of the Shareholder’s Lock-up Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subsidiary”	in relation to any person, any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of Hong Kong from time to time, should have its accounts consolidated with those of that person;
“Subscription Agreement”	the subscription agreement dated 15 December 2025 entered into between the Company and the Managers in respect of the issue of the Convertible Bonds;
“Terms and Conditions”	the terms and conditions of the Convertible Bonds;
“Trust Deed”	the trust deed to be entered into not later than the Closing Date between the Company and the Trustee constituting the Convertible Bonds;
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited;
“Worldwide Business”	the worldwide surface solution business acquired by the Group on 31 July 2025, as described in the circular of the Company dated 25 June 2025; and
“%”	per cent.

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

15 December 2025, Hong Kong

*As of the date of this announcement, the Board comprises Dr SU Ertian, Mr JIN Zengqin, Mr ZHOU Fangchao, Mr BAI Zhihuan, Ms ZENG Zhu and Mr LIM Kwang Su as executive Directors, Mr HU Yongxiang as non-executive Director, and Mr HUI Chi Fung, Professor HAN Gaorong, Mr LEUNG Kwai Wah Alex and Professor CHEN Fadong as independent non-executive Directors.*