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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Global New Material International Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s), the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

CONNECTED TRANSACTION

ACQUISITION OF CHESIR PEARL MINORITY INTEREST FOR THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

AND

NOTICE OF EGM

Independent Financial Adviser



Unless the context requires otherwise, the capitalised terms used in this cover page shall have the same meanings as defined in the section headed “Definitions” in this circular.

A letter from the Board is set forth on pages 6 to 17 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders is set forth on pages 18 to 19 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set forth on pages 20 to 37 of this circular.

A notice of EGM to be held at 10:30 a.m. on Monday, 5 January 2026 at Pearlescent Industrial Park, No. 380, Feilu Road, Luzhai Town, Luzhai County, Liuzhou City, Guangxi, China or any adjournment thereof (as the case may be), is set forth on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at EGM is enclosed with this circular.

Whether or not you are able to attend EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of EGM, i.e. before 10:30 a.m. on Saturday, 3 January 2026, or any adjournment thereof (as the case may be). Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at EGM or any adjournment thereof (as the case may be) should you so wish.

19 December 2025

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EXPECTED TIMETABLE

Unless the context otherwise requires, the capitalised terms used in the following timetable shall have the same meanings as defined in the circular of Global New Material International Holdings Limited dated 19 December 2025.

Despatch of this circular and the notice of EGM Friday, 19 December 2025

Latest time for lodging transfer forms of Shares to qualify

for entitlements to attend and vote at EGM 4:30 p.m. on Monday, 29 December 2025

Closure of register of members of the Company for

purpose of EGM (both days inclusive) from Tuesday, 30 December 2025 to
Monday, 5 January 2026

Latest time for lodging forms of proxy for EGM (in any

event not less than 48 hours before the time appointed

for holding EGM or any adjournment thereof) before 10:30 a.m. on
Saturday, 3 January 2026

Record date of EGM Monday, 5 January 2026

Date and time of EGM 10:30 a.m. on Monday, 5 January 2026

Notes:

- (1) If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning or “extreme conditions” (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon, the latest time for lodging transfer documents will remain at 4:30 p.m. on the same Business Day or (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m., the latest time for lodging transfer documents will be re-scheduled to 4:30 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.
- (2) All dates and time set forth in this circular refer to Hong Kong dates and time.
- (3) Dates or time specified in this circular are indicative only and may be changed by the Company. Any subsequent changes to the expected timetable will be published or notified to the Shareholders as and when appropriate and in accordance with the Listing Rules.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Chesir Pearl Minority Interest pursuant to the terms and conditions of the Chesir Pearl Minority Interest Purchase Agreement;
“Agreed Exchange Rate”	the exchange rate between RMB and HK\$ as of the date of the Chesir Pearl Minority Interest Purchase Agreement, which is used in determining the amount of the Consideration in HK\$ equivalent;
“Announcement”	the announcement of the Company dated 28 November 2025 in relation to the Acquisition;
“Board”	the board of Directors;
“Business Day”	any day, other than a Saturday, Sunday or public holiday in Hong Kong, when banks in Hong Kong and the Stock Exchange are open for general banking business and trading of shares;
“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 97.19% of its equity interest;
“Chesir Pearl Minority Interest Purchase Agreement”	the Chesir Pearl minority interest purchase agreement dated 28 November 2025 entered into between the Company and Hongzun International, pursuant to which the Company will acquire from Hongzun International the Chesir Pearl Minority Interest;
“Chesir Pearl Minority Interest”	an aggregate of 2.57% of the equity interest of Chesir Pearl, which has been acquired by Hongzun Investment for an aggregate cash consideration of RMB69.02 million and is proposed to be acquired by the Company for the Consideration under the Chesir Pearl Minority Interest Purchase Agreement;

DEFINITIONS

“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 limited liability, the Shares of which are listed on the Stock Exchange (stock code: 06616);
“Completion”	completion of the Acquisition and the allotment and issue of the Consideration Shares;
“Completion Date”	the date on which Completion takes place;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	the amount of RMB69,021,350, being the purchase price payable by the Company to Hongzun International for the Chesir Pearl Minority Interest;
“Consideration Shares”	9,571,649 new Shares proposed to be allotted and issued by the Company to Hongzun International for the Acquisition under the Specific Mandate;
“Controlling Shareholders”	has the same meaning ascribed to it under the Listing Rules, which for the purpose of this circular, refers to Dr SU, Mr JIN Zengqin and the respective companies and limited partnership firms controlled or deemed to be controlled by each of them, including Hongzun Investment and Hongzun International;
“Directors”	the directors of the Company;
“Dr SU”	Dr SU Ertian (苏尔田博士), who is one of the Controlling Shareholders, the Chairman and Chief Executive Officer of the Group and an executive Director;
“EGM”	the extraordinary general meeting of the Company proposed to be convened for the purpose of considering, and if thought fit, approving, the Acquisition and the issue of the Consideration Shares at the Issue Price under the Specific Mandate;
“Global New Material (HK)”	Global New Material (China) Limited (环球新材(中国)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administration Region of the People’s Republic of China;

DEFINITIONS

“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 owned as to 99.0% by Dr SU and 1.0% by Ms WANG Huan, the spouse of Dr SU, being one of the Controlling Shareholders;
“Hongzun International”	Hongzun Int Investment Group Ltd. (鴻尊國際投資集團股份有限公司), a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of Hongzun Investment, being one of the Controlling Shareholders;
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr HUI Chi Fung, Professor HAN Gaorong, Mr LEUNG Kwai Wah Alex and Professor CHEN Fadong, which has been established for the purpose of making recommendations to the Independent Shareholders on the Acquisition and the allotment and issue of the Consideration Shares;
“Independent Financial Adviser”	Innovax Capital Limited, a corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Acquisition and the allotment and issue of the Consideration Shares;
“Independent Shareholders”	Shareholders who are not the Controlling Shareholders and their respective associates;
“Independent Third Parties”	has the meaning ascribed to it under the Listing Rules and refers to third parties independent of and not connected with the Company and the Controlling Shareholders and their respective connected persons and associates;
“Issue Price”	HK\$8.01, being the issue price for each Consideration Share at the Agreed Exchange Rate, which represents the higher of (a) the average closing price of each Share on five (5) consecutive trading days on the Stock Exchange immediately preceding the date of the Chesir Pearl Minority Interest Purchase Agreement and (b) the closing price of each Share on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement;

DEFINITIONS

“Latest Practicable Date”	12 December 2025, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained in this circular;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	The People’s Republic of China which for the purpose of this circular, excludes Hong Kong, The Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Prospectus”	the prospectus of the Company issued on 30 June 2021;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Specific Mandate”	a specific mandate proposed to be sought from the Independent Shareholders for the allot and issue of the Consideration Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Worldwide Business”	the worldwide surface solution acquired by the Group on 31 July 2025, as described in the circular of the Company dated 25 June 2025; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr SU Ertian (*Chairman*)
Mr JIN Zengqin
Mr ZHOU Fangchao
Mr BAI Zhihuan
Ms ZENG Zhu
Mr LIM Kwang Su

Non-executive Director:

Mr HU Yongxiang

Independent Non-executive Directors:

Mr HUI Chi Fung
Professor HAN Gaorong
Mr LEUNG Kwai Wah Alex
Professor CHEN Fadong

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in the PRC:

Pearlescent Industrial Park
No. 380, Feilu Road
Luzhai Town, Luzhai County
Liuzhou City
Guangxi Zhuang Autonomous Region
PRC

Principal place of business in Hong Kong:

Room 2703, 27/F, China Resources Building
26 Harbour Road, Wanchai
Hong Kong

19 December 2025

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

ACQUISITION OF CHESIR PEARL MINORITY INTEREST FOR THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

The Board refers to the announcement of the Company dated 28 November 2025 on the Acquisition. On 28 November 2025 (after trading hours), the Chesir Pearl Minority Interest Purchase Agreement has been entered into, pursuant to which the Company has conditionally agreed to issue the Consideration Shares for the Acquisition under the Specific Mandate.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information on the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; (iv) the notice of EGM; and (v) other information as required under the Listing Rules.

THE CHESIR PEARL MINORITY INTEREST PURCHASE AGREEMENT

The following sets forth a summary of the principal terms and conditions of the Chesir Pearl Minority Interest Purchase Agreement and the related information.

Date:	28 November 2025 (after trading hours)
Parties:	<p>(a) The Company, being the purchaser of the Chesir Pearl Minority Interest and the issuer of the Consideration Shares; and</p> <p>(b) Hongzun International, being the seller of the Chesir Pearl Minority Interest and the subscriber for the Consideration Shares.</p>
Subject matter/Chesir Pearl Equity Interest:	3,841,260 shares of Chesir Pearl, representing approximately 2.57% of the equity interest of Chesir Pearl as of the Latest Practicable Date.
Consideration:	RMB69,021,350, which is proposed to be settled by the Company in the form of issuing the Consideration Shares at the Issue Price under the Specific Mandate.

Determination of the amount of the Consideration

The amount of the Consideration has been determined after arm's length negotiations between the Company and Hongzun International on normal commercial terms which is identical to (a) the original cost paid by Hongzun Investment in acquiring the Chesir Pearl Minority Interest from the minority equity holders of Chesir Pearl and (b) the purchase price paid by Hongzun International to Hongzun Investment for the acquisition of the Chesir Pearl Minority Interest. Hence, both Hongzun Investment and Hongzun International have made no gain on the disposal of the Chesir Pearl Minority Interest. Further information is set forth in the paragraphs under "Reasons for and benefits of the Acquisition and the allotment and issue of the Consideration Shares" in this circular.

LETTER FROM THE BOARD

Determination of the Issue Price

The Directors (excluding Dr SU) have considered the following factors in making the recommendations to acquire the Chesir Pearl Minority Interest for the Consideration Shares:

- (1) The Directors (excluding Dr SU) consider that it would be beneficial to the Group to complete the Acquisition without incurring additional cash resources of the Group of around RMB69.02 million. The Group has recently completed the acquisition of the Worldwide Business and will continue to deploy available financial resources for general working capital purpose as well as post-completion integration of the Worldwide Business into its business operations of the Group.
- (2) The Acquisition was intended to be part of the Reorganisation (as such term is defined in the Prospectus) for the purpose of the Company's listing on the Stock Exchange in July 2021.⁽¹⁾
- (3) The recent trading prices of the Shares and the fact that Hongzun International is willing to accept the Consideration Shares to be allotted and issued to it without any discount to such trading prices, which follows that the Company could allot and issue a smaller number of Shares for the full settlement of the Consideration at the Issue Price.

Note:

- (1) As disclosed in the Prospectus, as part of the Reorganisation (as defined in the Prospectus), the Company attempted to purchase and consolidate all equity interest in Chesir Pearl. However, 17 equity holders holding 4,224,260 shares of Chesir Pearl, representing approximately 2.81% of the equity interest of Chesir Pearl, have decided not to transfer their equity interest in Chesir Pearl to Global New Material (HK) pursuant to the Reorganisation (as defined in the Prospectus). Following the listing of the Company on the Stock Exchange in July 2021 and during the period from March 2023 to May 2025, four equity holders holding in aggregate of 3,841,260 shares of Chesir Pearl have separately contacted Hongzun Investment for their proposed sales of their equity interest in Chesir Pearl, primarily because of the fact that they are minority equity holders of Chesir Pearl and that their equity interests are not liquid assets that can be realised or traded in whole or in part on any stock exchange in the PRC or otherwise. The purchase prices paid by Hongzun Investment to these four equity holders were settled or will be settled within the period from March 2024 to December 2025 by way of cash and were determined with reference to the net asset value of Chesir Pearl with significant discount to the net asset value of Chesir Pearl as of 30 June 2025 applied to the effect that those equity interests are minority equity interests and cannot be realised or traded on any stock exchange in the PRC or otherwise.

LETTER FROM THE BOARD

In light of the factors set out above, the Directors (excluding Dr SU) consider that the allotment and the issue of the Consideration Shares is appropriate and is fair and reasonable. The Issue Price for the allotment and issue of each Consideration Share represents no discount to the following closing prices of the Shares as quoted on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement and represents:

- (a) the same as the closing price of HK\$8.01 per Share as quoted on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement;
- (b) a premium of 9.73% over the average closing price of HK\$7.30 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the date of the Chesir Pearl Minority Interest Purchase Agreement; and
- (c) a premium of 13.04% over the average closing price of HK\$7.086 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding the date of the Chesir Pearl Minority Interest Purchase Agreement.

Hence, the Issue Price (which is equivalent to the net Issue Price) is determined after arm's length negotiations between the Company and Hongzun International with reference to the recent trading prices of the Shares. The Directors (excluding Dr SU) consider that the amount of Consideration and the bases upon which the Issue Price is determined are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Consideration Shares shall rank *pari passu* in all respects among themselves and with the other Shares in issue on the date of their allotment and issue.

The Consideration Shares to be allotted and issued as fully paid, assuming there will be no change in the issued Shares of the Company between the Latest Practicable Date and the Completion Date, will represent 0.77% of the number of Shares in issue as of the Latest Practicable Date and 0.77% of the number of Shares in issue as enlarged by the allotment and issue of the Consideration Shares.

LETTER FROM THE BOARD

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Conditions:

Completion shall occur no later than three (3) business days after the date on which the following conditions precedent are fulfilled:

- (a) the Company having complied with all compliance requirements and obtained all approvals (including but not limited to the approval of the Independent Shareholders on the Acquisition and the Specific Mandate and the approval of the Listing Committee for the listing of, and permission to deal in, the Consideration Shares) under the Listing Rules and the Chesir Pearl Minority Interest Purchase Agreement and the allotment and issue of the Consideration Shares;
- (b) Hongzun International and the Company having obtained all necessary consents, authorisations and approvals for the execution and performance of the Chesir Pearl Minority Interest Purchase Agreement in accordance with all relevant laws, rules and their respective constitutional documents; and
- (c) the representations and warranties made by Hongzun International under the Chesir Pearl Minority Interest Purchase Agreement being true, accurate, complete and not misleading.

The Company has the absolute discretion to waive the fulfilment of any of the above conditions (save as conditions (a) and (b) which cannot be waived).

If the above conditions precedent are not fulfilled or waived by the Company (as the case may be) on or before 31 January 2026 (or such other date as the parties may agree in writing), the Chesir Pearl Minority Interest Purchase Agreement shall automatically terminate, and neither party shall have any obligation to proceed with the transactions contemplated hereunder, nor shall either party have any claim against the other (except for any breach occurring prior to such termination).

As of the Latest Practicable Date, none of the above conditions has been satisfied.

LETTER FROM THE BOARD

Completion:

Upon Completion, Chesir Pearl will continue to be a non-wholly owned subsidiary of Company which will hold 149,178,191 shares of Chesir Pearl, representing approximately 99.76% of the equity interest of Chesir Pearl, among which 3,841,260 shares of Chesir Pearl, being the Chesir Pearl Minority Interest and representing 2.57% of the equity interest of Chesir Pearl, will be directly held by the Company, with the remaining 383,000 shares of Chesir Pearl, representing approximately 0.24% of the equity interest of Chesir Pearl, to be held by Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE ALLOTMENT AND ISSUE OF THE CONSIDERATION SHARES

Following the listing of the Company on the Stock Exchange in July 2021, the business of Chesir Pearl continues to grow and it becomes one of the core business units of the Group as a whole. The Group has also completed (a) the acquisition of the Worldwide Business in July 2025; (b) the increase in the capital of Chesir Luzhai for the establishment of an industrial complex in Tonglu County, Zhejiang Province, the PRC in December 2023 and May 2025; and (c) the acquisition of 50.75% of the issued shares of CQV Co., Ltd., a company listed on The Korea Securities Dealers Automated Quotations (KOSDAQ), in August 2023 and October 2025. The Directors intend to increase the equity holding in Chesir Pearl for the purpose of increasing its investment return with an increased amount of profit or percentage of profit sharing to be consolidated into the financial performance of the Group.

During the period from March 2023 to May 2025, Hongzun Investment entered into relevant sale and purchase agreements to acquire from four equity holders of Chesir Pearl for the acquisition of an aggregate of 3,841,260 shares, representing approximately 2.57% of the equity interest of Chesir Pearl, for the aggregate consideration of RMB69.02 million. Hongzun Investment subsequently transferred all such equity interests for the same amount of RMB69.02 million to Hongzun International in November 2025. As of the Latest Practicable Date, Chesir Pearl is owned as to 145,336,931 shares by the Group (representing approximately 97.19% of the equity interest of Chesir Pearl), 3,841,260 shares by Hongzun International (representing approximately 2.57% of the equity interest of Chesir Pearl) and 383,000 shares by 12 individual equity holders (representing approximately 0.24% of the equity interest of Chesir Pearl). Following Completion, Chesir Pearl will be held as to 149,178,191 shares by the Group (representing approximately 99.76% of the equity interest of Chesir Pearl) and 383,000 shares by Independent Third Parties (representing approximately 0.24% of the equity interest of Chesir Pearl). Chesir Pearl will continue to be a non-wholly owned subsidiary and a sino-foreign equity joint venture established in the PRC. Because of the increased in the equity holding in Chesir Pearl, the Group has no current plan to continue to acquire the remaining 0.24% of the equity interest of Chesir Pearl.

Dr SU is the sole director of Hongzun Investment and Hongzun International, respectively. Also, Hongzun International is a direct wholly-owned subsidiary of Hongzun Investment and Hongzun Investment is owned as to 99.0% by Dr SU and 1.0% by Ms WANG Huan, the spouse of Dr SU. Accordingly, Dr SU has abstained from voting on the Board resolutions on the Acquisition and the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate. Save for Dr SU, the Directors confirm that none of the other members of the Board has a material interest in the Acquisition and the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate. Hence, none of the other members of the Board is required to abstain from voting on the relevant Board resolutions.

LETTER FROM THE BOARD

In light of the foregoing, particularly taking into account that the total price payable by Hongzun Investment to the equity holders which is equivalent to the Consideration payable by the Company to Hongzun International is at a significant discount to the net asset value of Chesir Pearl as of 30 June 2025, the Directors (excluding Dr SU) consider that the Acquisition (which is based on the original price paid by Hongzun International to Hongzun Investment), the amount of the Consideration and the Issue Price are fair and reasonable and are negotiated upon normal commercial terms and in the interest of the Company and the Shareholders as a whole. Assuming that the Specific Mandate is approved by the Independent Shareholders, the Company will settle the Consideration by way of the Consideration Shares to be allotted and issued to Hongzun International at the Issue Price under the Specific Mandate.

EFFECT OF SHAREHOLDING STRUCTURE OF THE COMPANY

As of the Latest Practicable Date, the Company has 1,238,870,132 Shares in issue. The table below sets forth the shareholding structure of the Company as of the Latest Practicable Date and immediately following Completion:

Shareholders	As of the Latest Practicable Date		Immediately following Completion	
	Number of Shares	%	Number of Shares	%
Directors				
Dr SU ⁽¹⁾	439,636,948	35.48	449,208,597	35.98
Mr LIM Kwang Su ⁽²⁾	13,481,181	1.09	13,481,181	1.08
Mr HU Yongxiang ⁽³⁾	19,015,200	1.53	19,015,200	1.52
Public Shareholders	766,736,803	61.90	766,736,803	61.42
Total	1,238,870,132	100.00	1,248,441,781	100.00

Notes:

- Dr SU is the Chairman and the Chief Executive Officer of the Group and an executive Director. As of the Latest Practicable Date, Dr SU is interested in an aggregate of 439,636,948 Shares, among which he is deemed to be interested in 413,203,948 Shares through certain corporations and he beneficially owns 26,433,000 Shares. Immediately following Completion, Hongzun International will hold 310,727,449 Shares, representing 24.89% of the Shares in issue. Mr JIN Zengqin, an executive Director, is deemed to be interested in 38,588,148 Shares through two corporations controlled by Dr SU and him as of the Latest Practicable Date.
- Mr LIM Kwang Su, an executive Director, beneficially owns 13,481,181 Shares as of the Latest Practicable Date.

LETTER FROM THE BOARD

3. Mr HU Yongxiang, a non-executive Director, is deemed to be interested in 19,015,200 Shares through a corporation as of the Latest Practicable Date.
4. Certain percentage figures included in the above tables are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As disclosed in the announcement of the Company dated 24 May 2025, Chesir Luzhai had raised RMB500 million through deemed disposal of part of its equity interest. As of the Latest Practicable Date, the Company has utilised the entire net proceeds of RMB500 million.

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 Latest Practicable Date.

INFORMATION ON THE PARTIES

Company and Global New Material (HK)

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. Global New Material (HK), an investment holding company, is a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and holding 145,336,931 shares of Chesir Pearl.

Chesir Pearl

Chesir Pearl principally engages in the manufacturing and sales of pearlescent pigment and functional mica filler. Chesir Pearl is currently a non-wholly owned subsidiary of the Company and is owned as to approximately 97.19% by the Group. As of the Latest Practicable Date, Chesir Pearl is owned as to 145,336,931 shares by the Group (representing approximately 97.19% of the equity interest of Chesir Pearl), 3,841,260 shares by Hongzun International (representing approximately 2.57% of the equity interest of Chesir Pearl) and 383,000 shares by 12 individual equity holders (representing approximately 0.24% of the equity interest of Chesir Pearl).

LETTER FROM THE BOARD

The table below sets forth the consolidated financial information of Chesir Pearl together with its subsidiaries for the two years ended 31 December 2024 and the six months ended 30 June 2025:

	Year ended 31 December		Six months ended 30 June
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Net profit before taxation	317,567.8	539,537.8	289,775.8
Net profit after taxation	280,309.8	469,527.4	246,757.3

As of 30 June 2025, the unaudited consolidated total assets of Chesir Pearl amounted to RMB5,595.4 million and the unaudited net assets of Chesir Pearl amounted to RMB 4,261.7 million.

Hongzun Investment and Hongzun International

Hongzun Investment is one of the Controlling Shareholders and is owned as to 99.0% by Dr SU and 1.0% by Ms WANG Huan, the spouse of Dr SU. Hongzun Investment is principally engaged in investment holding. Hongzun International is a wholly-owned subsidiary of Hongzun Investment and is also engaged in the business of investment holding. Dr SU is the sole director of Hongzun Investment and Hongzun International, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As of the Latest Practicable Date, Hongzun International is a connected person and hence, the Acquisition will constitute a connected transaction (as defined under the Listing Rules) for the Company.

As all of the applicable percentage ratios (other than profits ratio) (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 0.1% but are less than 5%, with the amount of consideration thereunder proposed to be more than HK\$3.0 million and the Specific Mandate is sought to allot and issue the Consideration Shares to Hongzun International, the Acquisition constitutes a connected transaction for the Company and will be subject to the reporting, announcement, circular and the requirement for the approval of the Independent Shareholders under Chapter 14A of the Listing Rules.

The consideration for the Acquisition is proposed to be settled by the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate. The grant of the Specific Mandate, will require the approval of the Independent Shareholders.

LETTER FROM THE BOARD

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all four independent non-executive Directors who have confirmed that they do not have any material interest in the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder, to consider and to advise the Independent Shareholders on whether the terms of the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate) are fair and reasonable and on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee will also recommend the Independent Shareholders on how to vote at EGM taking into consideration the advice of the Independent Financial Adviser.

With the approval of the Independent Board Committee, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

Your attention is drawn to the letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders as set forth on pages 18 to 19 of this circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which is set forth on pages 20 to 37 of this circular containing their advice and recommendation to the Independent Board Committee and the Independent Shareholders regarding the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate) as well as the principal factors and reasons taken into consideration in arriving at their advice.

EGM

The notice of EGM is set forth on pages EGM-1 to EGM-2 of this circular.

EGM will be convened at Pearlescent Industrial Park, No. 380, Feilu Road, Luzhai Town, Luzhai County, Liuzhou City, Guangxi, China at 10:30 a.m. on Monday, 5 January 2026 for the Shareholders to consider and if thought fit, to pass the resolutions to approve the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder.

Pursuant to the Listing Rules, as Dr SU, Hongzun Investment, Hongzun International and their respective associates have material interest in the Acquisition, they would abstain from voting at EGM.

Save as disclosed above, to the best of knowledge, information and belief having made all reasonable enquiries by the Directors, no other Shareholders would be required to abstain from voting on the relevant resolution(s) to be proposed at EGM.

LETTER FROM THE BOARD

PROXY ARRANGEMENT

A form of proxy for use at EGM is enclosed with this circular and is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chesir.com>). Whether or not you are able to attend EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the holding of EGM, i.e. before 10:30 a.m. on Saturday, 3 January 2026, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at EGM or any adjournment thereof (as the case may be) should you so wish.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at EGM, the register of members of the Company will be closed from Tuesday, 30 December 2025 to Monday, 5 January 2026 (both days inclusive), during which no transfer of Shares will be registered. The record date for entitlement to attend and vote at EGM is Monday, 5 January 2026. In order to qualify to attend and vote at EGM, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 29 December 2025.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. In compliance with the Listing Rules, poll voting for all proposed resolutions of the Company will be proceeded with at EGM.

The poll results will be published on the Stock Exchange's website and the Company's website after the conclusion of EGM.

Holders of treasury Shares (if any) shall abstain from voting on matters that require shareholders' approval at the Company's general meetings.

GENERAL

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment (or waiver, if applicable) of the conditions precedent under the Chesir Pearl Minority Interest Purchase Agreement and may or may not proceed. Hence, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

RECOMMENDATION

The independent non-executive Directors confirm that, although the Acquisition is not conducted in the ordinary and usual course of business of the Company given its nature, the Chesir Pearl Minority Interest Purchase Agreement is entered into on normal commercial terms following arm's length negotiations between the Company and Hongzun International and consider that the Acquisition, the terms of the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate) are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, the independent non-executive Directors recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at EGM to approve the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate).

ADDITIONAL INFORMATION

Your attention is drawn to the general information as set forth in this circular.

Yours faithfully,
For and on behalf of the Board
Global New Material International Holdings Limited
SU Ertian
Chairman and Chief Executive Officer



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)

19 December 2025

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

**ACQUISITION OF CHESIR PEARL MINORITY INTEREST FOR THE
CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

We refer to the circular dated 19 December 2025 (the “**Circular**”) of the Company of which this letter forms part. Unless the context requires otherwise, the capitalised terms used in the Circular shall have the same meanings as used in this letter.

We have been appointed by the Board to advise the Independent Shareholders in respect of the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate), further information on which is set forth in the “Letter from the Board” contained in the Circular. Innovax Capital Limited has been appointed as the Independent Financial Adviser.

We wish to draw your attention to the “Letter from the Board” as set forth on pages 6 to 17 of the Circular and the “Letter from the Independent Financial Adviser” as set forth on pages 20 to 37 of the Circular.

Having taken into account the terms and conditions of the Chesir Pearl Minority Interest Purchase Agreement, the principal factors and reasons considered by the Independent Financial Adviser, its conclusion and advice, we consider that the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate), are on normal commercial terms or better and in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at EGM.

Yours faithfully,
Independent Board Committee

Mr HUI Chi Fung

**Professor HAN
Gaorong**

**Mr LEUNG Kwai
Wah Alex**

**Professor CHEN
Fadong**

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



19 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION

ACQUISITION OF CHESIR PEARL MINORITY INTEREST FOR THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) issued by the Company to the Shareholders dated 19 December 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 28 November 2025, the Company and Hongzun International entered into the Chesir Pearl Minority Interest Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire, and Hongzun International has conditionally agreed to sell, the Chesir Pearl Minority Interest at a consideration of approximately RMB69.02 million. The Consideration shall be satisfied by the allotment and issue of 9,571,649 new Shares at an issue price of HK\$8.01 per share under the Specific Mandate upon Completion.

The Consideration Shares represent (i) approximately 0.773% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 0.767% of the total issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the date of the Completion.

As at the Latest Practicable Date, Chesir Pearl was a non-wholly owned subsidiary of the Company and was owned as to approximately 97.19% by the Group. Following Completion, Chesir Pearl will be owned as to 99.76% by the Group. Chesir Pearl will continue to be a non-wholly owned subsidiary of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 0.1% but are less than 5%, with the amount of consideration thereunder proposed to be more than HK\$3.0 million and the Specific Mandate is sought to allot and issue the Consideration Shares to Hongzun International, the Acquisition constitutes a connected transaction for the Company and will be subject to the reporting, announcement, circular and the requirement for the approval of the Independent Shareholders under Chapter 14A of the Listing Rules.

The consideration for the Acquisition is proposed to be settled by the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate. The grant of the Specific Mandate will require the approval of the Independent Shareholders.

As at the Latest Practicable Date, Hongzun International is a direct wholly-owned subsidiary of Hongzun Investment and Hongzun Investment is owned as to 99.0% by Dr SU and 1.0% by Ms WANG Huan, the spouse of Dr SU. Accordingly, Dr SU, Hongzun International, Hongzun Investment and their respective associates will be abstained from voting on the relevant resolution(s) at the EGM. Save as disclosed above, to the best of knowledge, information and belief having made all reasonable enquiries by the Directors, no other Shareholders will be required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

The Independent Board Committee comprising all four independent non-executive Directors, namely Mr HUI Chi Fung, Professor HAN Gaorong, Mr LEUNG Kwai Wah Alex and Professor CHEN Fadong, has been established to provide advice to the Independent Shareholders in respect of the Acquisition and the allotment and issue of the Consideration Shares.

We, Innovax Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Acquisition and the allotment and issue of the Consideration Shares. As at the Latest Practicable Date, we did not have any relationships with or interests in the Company and Chesir Pearl or any of their respective ultimate beneficial owners which could reasonably be regarded as relevant to our independence. We have not previously acted as the financial adviser or independent financial adviser to the Company. Apart from the normal advisory fee paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the aforesaid companies. As at the Latest Practicable Date, we were not connected with the Directors, chief executive and substantial Shareholders of the Company or any of their respective subsidiaries or associates. Therefore, we consider ourselves suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the Acquisition and the allotment and issue of the Consideration Shares pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on, among other things, (i) the information and facts contained or referred to in the Circular; (ii) the information provided by the Company; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of relevant public information.

We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the Group.

We consider that we have reviewed sufficient information currently available to reach an informed view, to justify our reliance on the accuracy of the information contained in this Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in this Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management and its representatives.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have considered the following principal factors and reasons:

1. Information of the Group

(i) Business of the Group

The principal business of the Group is production and sales of pearlescent pigment products and synthetic mica powder in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial information of the Group*

The table below summarises financial information of the Group for the six months ended 30 June 2024 (“**1H2024**”) and 2025 (“**1H2025**”) and for the years ended 31 December 2022 (“**FY2022**”), 2023 (“**FY2023**”) and 2024 (“**FY2024**”) as extracted from the interim report for six months ended 30 June 2024 (the “**2024 Interim Report**”) and 2025 (the “**2025 Interim Report**”) and the annual report for the year ended 31 December 2023 (the “**2023 Annual Report**”) and 2024 (the “**2024 Annual Report**”) of the Company.

	For the year ended/as at 31 December			For the six months ended/as at 30 June	
	2024	2023	2022	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	1,648,763	1,064,055	916,820	912,038	774,622
- Pearlescent pigment	1,528,263	964,003	850,699	851,125	701,155
- Functional mica filler and related products	98,689	89,433	66,121	49,035	44,070
- Trading of pigment	21,664	10,593	—	10,528	29,363
- Others	147	26	—	1,350	34
Gross profit	873,659	528,329	455,335	473,945	387,972
Net profit for the year/period	320,272	213,285	236,510	99,628	144,542
Total assets	7,054,508	5,155,282	3,156,870	8,249,788	5,863,375
Total liabilities	2,701,383	1,070,137	613,544	3,273,670	1,649,756
Net assets	4,353,125	4,085,145	2,543,326	4,976,118	4,213,619

According to the 2025 Interim Report, the Group’s revenue increased from approximately RMB774.6 million for the 1H2024 to approximately RMB912.0 million for the 1H2025, representing a year-on-year increase of approximately 17.7%. Such increase was mainly due to the increase in sales volume of natural mica-based pearlescent pigment products and optimisation of the product mix during the 1H2025. The increase in gross profit during the 1H2025 was mainly attributable to the increase in revenue. However, the Group’s net profit decreased from approximately RMB144.5 million for the 1H2024 to approximately RMB99.6 million for the 1H2025, representing a decrease of approximately 31.1%. Such decrease in net profit was mainly due to an increase in finance costs arising from the increase in bank loans and other borrowings, and the interest expenses on the unlisted, guaranteed and unsecured convertible bond in the principal amount of RMB300.0 million issued by the Company on 30 December 2022 (“**Tranche A Convertible Bond**”), the unlisted, and unsecured convertible bonds with a nominal value of US\$40.0 million issued by the Company on 8 November 2023 (“**First Tranche Initial Bond**”) and other borrowings for the acquisition of the Worldwide Business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the 2024 Annual Report, the Group's revenue increased from approximately RMB1,064.1 million for the FY2023 to approximately RMB1,648.8 million for the FY2024, representing a year-on-year increase of approximately 55.0%. Such increase was mainly due to the increase in sales in natural mica-based and synthetic mica-based pearlescent pigment products. The increase in gross profit and net profit during the FY2024 was mainly attributable to the increase in revenue.

According to the 2023 Annual Report, the Group's revenue increased from approximately RMB916.8 million for the FY2022 to approximately RMB1,064.1 million for the FY2023, representing a year-on-year increase of approximately 16.1%. Such increase was mainly due to the increase in sales in synthetic mica-based pearlescent pigment products. Further, following the acquisition of CQV Co. Ltd. ("CQV") in August 2023, the Group recorded revenue generated from its business operation in Korea, by way of the consolidation of CQV into the accounts of the Group as a non-wholly owned subsidiary of the Company, amounting to approximately RMB103.1 million for the FY2023. The increase in gross profit during the FY2023 was mainly attributable to the increase in revenue. However, the Group's net profit decreased from approximately RMB236.5 million for the FY2022 to approximately RMB213.3 million for the FY2023, representing a decrease of approximately 9.8%. Such decrease in net profit was mainly due to the increase in administrative and other operating expenses after the consolidation of CQV's results. Further, such decrease in net profit was mainly due to an increase in finance costs arising from the increase in bank loans and other borrowings and the interest expenses on the Tranche A Convertible Bond and the First Tranche Initial Bond.

As at 30 June 2025, 31 December 2024, 2023 and 2022, the Group's total assets were mainly bank and cash balances and property, plant and equipment, while total liabilities were mainly bank loans and other borrowings and convertible bonds. The Group's net assets significantly increased from approximately RMB2,543.3 million as at 31 December 2022 to RMB4,085.1 million as at 31 December 2023, mainly due to the completion for the acquisition of CQV on 22 August 2023, the issuance of the First Tranche Initial Bond and capital contribution of RMB1,000.0 million by an independent investor in Chesir Luzhai. Since then, the Group's net assets have increased steadily as a result of net profit generated during subsequent periods.

2. Reasons for and benefits of the Acquisition and the allotment and issue of the Consideration Shares

As stated in the Letter from the Board, following the listing of the Company on the Stock Exchange, the business of Chesir Pearl continues to grow and it becomes one of the core business units of the Group as a whole. The Group has also completed (a) the acquisition of the Worldwide Business from Merck KGaA in July 2025; (b) the increase in the capital of Chesir Luzhai for the establishment of an industrial complex in Tonglu County, Zhejiang Province, the PRC in December 2023 and May 2025; and (c) the acquisition of 50.75% of the issued shares of CQV, a company listed on The Korea Securities Dealers Automated Quotations (KOSDAQ), in August 2023 and October 2025. The Directors intend to increase the equity holding in Chesir Pearl for the purpose of increasing its investment return with an increased amount of profit or percentage of profit sharing to be consolidated into the financial performance of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) Chesir Pearl as a core business and profit contributor

As set out in the Letter from the Board, Chesir Pearl principally engages in the manufacturing and sales of pearlescent pigment and functional mica filler is currently a non-wholly owned subsidiary of the Company and is owned as to approximately 97.19% by the Group. It recorded net profit after taxation of approximately RMB280.3 million and RMB469.5 million for the two years ended 31 December 2023 and 2024, respectively, and approximately RMB246.8 million for the six months ended 30 June 2025. As at 30 June 2025, its unaudited consolidated net assets amounted to approximately RMB4,261.7 million. Based on the above, we noted that Chesir Pearl therefore represents a major profit and asset contributor within the Group and is expected to remain a key driver of the Group's earnings in the foreseeable future.

We also noted that Chesir Pearl has continued to expand its product portfolio and production capabilities. According to the 2025 Interim Report, Chesir Pearl offered 1,198 pearlescent pigment products across natural mica-based, synthetic mica-based, glass flake-based and silicon oxide-based series, representing a broad and deep product matrix targeting different colour, texture and gloss requirements of downstream customers. The Phase 2 pearlescent material plant of Chesir Pearl with an annual production capacity of 30,000 tonnes has commenced operation, further enhancing the Group's supply capability and economies of scale. In light of the above, the Directors consider Chesir Pearl to be a strategic platform for the Group's ongoing growth in the pearlescent materials business, and the Acquisition will allow the Group to consolidate a larger share of the profits generated by this core subsidiary.

(ii) Acquisitions and capacity investments consolidating the Group's market position

According to the 2023 and 2024 Annual Reports, the Group has been implementing the development strategy of "Endogenous Development and Outward Expansion" by combining organic growth at Chesir Pearl with selective acquisitions and upstream capacity investments along the pearlescent and surface performance materials value chain.

First, as disclosed in the Company's announcements dated 27 January 2023 and 10 October 2025, the Group acquired in total of 50.75% of the total issued shares of CQV, a well-known pearlescent material enterprise in Korea, and has made significant progress in its globalization strategy and since achieved deep synergies in various aspects such as market channels, product research and development, and supply chain management. According to the 2025 Interim Report, the total number of pearlescent pigment products offered by CQV was 994 as at 30 June 2025. The iteration of new products has accelerated, the expansion of high-end customers has progressed smoothly, and the brand's influence in the global market has been significantly enhanced. Such synergy has not only improved efficiency but also accelerated the commercialization of new technologies.

Second, in line with its strategy of investing in upstream synthetic mica capacity, the Group has increased the capital of Chesir Luzhai for the establishment of an industrial complex in Tonglu County, Zhejiang Province, the PRC. As disclosed in the Company's announcements dated 20 November 2023 and 24 May 2025, independent investors agreed to inject RMB1,000.0 million and RMB500.0 million, respectively, into Chesir Luzhai to support, among others, the construction and development of the aforesaid industrial complex in Tonglu County with a planned annual production

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

capacity of 100,000 tonnes of synthetic mica-based products, which has been launched and is currently under construction. According to the 2023 and 2024 Annual Reports, synthetic mica is not only the raw material for the production of pearlescent materials, but also for the production of insulating materials, functional fillers, refractory materials and nickel metal hydride batteries.

Third, as disclosed in the Company's announcement dated 25 July 2024 and circular dated 25 July 2025, the Group entered into an agreement with Merck KGaA to acquire the Worldwide Business (now renamed "Susonity") at an aggregate consideration of EUR665.0 million. Completion of the acquisition took place on 31 July 2025. Following completion, the Group has obtained additional manufacturing facilities in Germany, Japan and the United States and expands the Group's product offerings and geographical presence.

Having considered that (i) Chesir Pearl is a core business and a major contributor to the Group's profit and net assets, (ii) the Group has been implementing its "Endogenous Development and Outward Expansion" strategy through the acquisitions of CQV and the Worldwide Business and the capital increases in Chesir Luzhai, and (iii) there are and are expected to be operational and market synergies among Chesir Pearl, CQV, Chesir Luzhai and Susonity, we are of the view that the Acquisition enable the Group to further consolidate its pearlescent materials business and to capture a greater share of the earnings from this integrated platform. Accordingly, we concur with the Directors that the Acquisition and the allotment and issue of the Consideration Shares, are in line with the Group's overall development strategy and are in the interests of the Company and the Shareholders as a whole.

3. PRC pearlescent pigment market outlook

Pearlescent pigments have superior properties such as good lustre, decent decorative finish, non-toxicity, strong lightfastness, heat resistance and chemical stability. As a result, pearlescent pigments can be applied in a wide range of industries and are expected to gradually replace certain traditional pigments over time. According to an industry research report on the pearlescent materials sector, the global pearlescent materials market, which includes pearlescent pigments, increased from approximately RMB9.4 billion in 2016 to about RMB23.5 billion in 2023, representing a compound annual growth rate of around 14.1%. By 2030, it is forecasted that the size of global pearlescent materials market will reach approximately RMB44.0 billion, implying a compound annual growth rate of about 9.4% for the period from 2023 to 2030. The same report estimates that the PRC pearlescent materials market reached approximately RMB6.5 billion in 2023, accounting for about 27.5% of the global market, and is expected to grow to approximately RMB12.6 billion by 2030, representing a compound annual growth rate of around 10.0% over the same period.

From an application perspective, pearlescent pigments are effect pigments used to impart pearl-like luster and colour effects in downstream products such as coatings, plastics, printing inks, cosmetics and automotive finishes. According to data cited by the China National Coatings Industry Association, in the PRC market coatings account for approximately 25.5% of pearlescent pigment consumption by value, followed by plastics (17.6%), inks (12.7%), automotive applications (8.0%) and cosmetics (14.9%). In the PRC, continued growth in colour cosmetics consumption, the expansion of domestic beauty brands and the upgrading of automotive coatings (including for new energy vehicles) are expected to support steady demand growth for mid- to high-end pearlescent pigments. In particular, we noted that the National Development and Reform Commission has included

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

pearlescent materials and artificial mica in the “encouraged” category under the “Industrial Structure Adjustment Guidance Catalogue (2024 Edition)” (產業結構調整指導目錄(2024年本)) issued in December 2023, signaling policy support for capacity expansion and technological upgrading in this industry. Further, the National Medical Products Administration (國家藥監局) issued the “Provisions on Supporting Innovation in Cosmetic Ingredients” (支持化妝品原料創新若干規定) on 26 January 2025, which aims to optimise the classification and technical evaluation of new ingredients and provide full-process regulatory services for qualifying new raw materials, thereby encouraging innovation and higher-quality raw material supply in the cosmetics sector.

Having considered the above, we are of the view that the PRC pearlescent pigment market is expected to maintain steady growth and that the Acquisition is strategically aligned with the Group’s long-term development in a sector that benefits from favourable industry dynamics and supportive government policies.

4. Principal terms and condition of the Chesir Pearl Minority Interest Purchase Agreement

Date:	28 November 2025 (after trading hours)
Parties:	(a) The Company, being the purchaser of the Chesir Pearl Minority Interest and the issuer of the Consideration Shares; and (b) Hongzun International, being the seller of the Chesir Pearl Minority Interest and the subscriber of the Consideration Shares.
Subject matter/Chesir Pearl Minority Interest:	3,841,260 shares of Chesir Pearl, representing approximately 2.57% of the equity interest of Chesir Pearl as of the Latest Practicable Date
Consideration:	RMB69,021,350, which may be satisfied by the Company in the form of issuing the Consideration Shares at the Issue Price under the Specific Mandate.

The Consideration Shares shall rank *pari passu* in all respects among themselves and with the other Shares in issue on the date of their allotment and issue.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Further details about the basis of determination and assessment of the Consideration will be set out in paragraph headed “Assessment of the Consideration” of this letter below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions:

Completion shall occur no later than three (3) business days after the date on which the following conditions precedent are fulfilled:

- (a) the Company having complied with all compliance requirements and obtained all approvals (including but not limited to the approval of the Independent Shareholders on the Acquisition and the Specific Mandate and the approval of the Listing Committee for the listing of, and permission to deal in, the Consideration Shares) under the Listing Rules and the Chesir Pearl Minority Interest Purchase Agreement and the allotment and issue of the Consideration Shares;
- (b) Hongzun International and the Company having obtained all necessary consents, authorisations and approvals for the execution and performance of the Chesir Pearl Minority Interest Purchase Agreement in accordance with all relevant laws, rules and their respective constitutional documents; and
- (c) the representations and warranties made by Hongzun International under the Chesir Pearl Minority Interest Purchase Agreement being true, accurate, complete and not misleading.

The Company has the absolute discretion to waive the fulfilment of any of the above conditions (save as conditions (a) and (b) which cannot be waived).

If the above conditions precedent are not fulfilled or waived by the Company (as the case may be) on or before 31 January 2026 (or such other date as the parties may agree in writing), the Chesir Pearl Minority Interest Purchase Agreement shall automatically terminate, and neither party shall have any obligation to proceed with the transactions contemplated hereunder, nor shall either party have any claim against the other (except for any breach occurring prior to such termination).

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Completion:

Upon Completion, Chesir Pearl will continue to be a non-wholly owned subsidiary of Company which will hold 149,178,191 shares of Chesir Pearl, representing approximately 99.76% of the equity interest of Chesir Pearl, among which 3,841,260 shares of Chesir Pearl, being the Chesir Pearl Minority Interest and representing 2.57% of the equity interest of Chesir Pearl, will be directly held by the Company, with the remaining 383,000 shares of Chesir Pearl, representing approximately 0.24% of the equity interest of Chesir Pearl, to be held by Independent Third Parties.

5. Information of Chesir Pearl

(i) Background information of Chesir Pearl

As stated in the Letter from the Board, Chesir Pearl principally engages in the manufacturing and sales of pearlescent pigment and functional mica filler is currently a non-wholly owned subsidiary of the Company and is owned as to approximately 97.19% by the Group. As of the Latest Practicable Date, Chesir Pearl is owned as to 145,336,931 shares by the Group (representing approximately 97.19% of the equity interest of Chesir Pearl), 3,841,260 shares by Hongzun International (representing approximately 2.57% of the equity interest of Chesir Pearl) and 383,000 shares by 12 individual equity holders (representing approximately 0.24% of the equity interest of Chesir Pearl).

(ii) Financial information of Chesir Pearl

The following table sets forth the consolidated financial information of Chesir Pearl together with its subsidiary(ies) for the two years ended 31 December 2024 and the six months ended 30 June 2025:

	Year ended 31 December		Six months ended
	2023	2024	30 June 2025
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Net profit before taxation	317,567.8	539,537.8	289,775.8
Net profit after taxation	280,309.8	469,527.4	246,757.3

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As of 30 June 2025, the unaudited consolidated total assets of Chesir Pearl amounted to RMB5,595.4 million and the unaudited net assets of Chesir Pearl amounted to RMB4,261.7 million.

6. Information of Hongzun Investment and Hongzun International

As stated in the Letter from the Board, Hongzun Investment is one of the Controlling Shareholders and is owned as to 99.0% by Dr SU and 1.0% by Ms WANG Huan, the spouse of Dr SU. Hongzun Investment is principally engaged in investment holding. Hongzun International is a wholly-owned subsidiary of Hongzun Investment and is also engaged in the business of investment holding. Dr SU is the sole director of Hongzun Investment and Hongzun International, respectively.

7. Assessment of the Consideration

As stated in the Letter from the Board, the amount of Consideration was determined after arm's length negotiations between the Company and Hongzun International on normal commercial terms which was identical to (a) the original cost paid by Hongzun Investment in acquiring the Chesir Pearl Minority Interest from the minority equity holders of Chesir Pearl and (b) the purchase price paid by Hongzun International to Hongzun Investment for the acquisition of the Chesir Pearl Minority Interest. Further, as stated in the Letter from the Board, following the Company's listing on the Stock Exchange in July 2021 and during the period from March 2023 to May 2025, four equity holders of Chesir Pearl, holding in aggregate 3,841,260 shares of Chesir Pearl, separately contacted Hongzun Investment for their proposed sales of their equity interest in Chesir Pearl, primarily because of the fact that they are minority equity holders of Chesir Pearl and that their equity interests are not liquid assets that can be realised or traded in whole or in part on any stock exchange in the PRC or otherwise. The purchase prices paid by Hongzun Investment to these four equity holders were settled or will be settled within the period from March 2024 to December 2025 by way of cash and were determined with reference to the net asset value of Chesir Pearl with significant discount applied to the effect that those equity interests are minority equity interests and cannot be realised or traded on any stock exchange in the PRC or otherwise. We have obtained and reviewed copies of the aforesaid sale and purchase agreements and, based on the consideration under such agreements and the then net asset value of Chesir Pearl as extracted from its latest available financial information at the relevant time, we note that the implied valuation of Chesir Pearl represented a significant discount to its net asset value. We further noted that there is no difference between the amount of Consideration and the cost paid by Hongzun International and Hongzun Investment. Hence, both Hongzun Investment and Hongzun International have made no gain on the disposal of the Chesir Pearl Minority Interest. Further, the total price payable by Hongzun Investment to the equity holders which is equivalent to the Consideration payable by Company to Hongzun International is at a significant discount to the net asset value of Chesir Pearl as of 30 June 2025.

To assess the fairness and reasonableness of the Consideration, we have also conducted an independent analysis by comparing Chesir Pearl with selected listed companies that (i) are engaged in similar businesses of pearlescent pigment market in the PRC; (ii) are listed on the Stock Exchange; and (iii) has financial information available to the public. However, we did not find any listed companies in Hong Kong (other than the Company) that meet all these criteria.

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During the course of our review, we noted that there are two companies listed in the PRC, namely Fujian Kuncai Material Technology Corporation Co., Ltd and Lily Group Co., Ltd., which have principal business involving the production and sales of pearlescent pigment products. However, given (i) the very limited number of listed companies in the PRC mainly engaging in such business; and (ii) the relatively high price-to-earnings multiple (which may not be representative if relied upon on a standalone basis), we considered it appropriate to further broaden our peer selection in order to derive a more balanced and representative benchmarking range.

Accordingly, we relaxed (i) the business scope from the pearlescent pigment market in the PRC to a broader set of listed companies engaged in production and sales of paint and coating products, including pigments and/or colorants; and (ii) the listing venue from Hong Kong only to include both PRC and Hong Kong listed companies (the “**Market Comparables**”). We consider the Market Comparables to be exhaustive to the best of our knowledge, and representative as they include (i) pigment and colourant manufacturers, including those producing pearlescent pigments; and (ii) paint and coating producers representing the key downstream end-markets relevant to Chesir Pearl. The table below set forth the details of the Market Comparables and their respective historical price-to-earnings multiple (the “**PE Multiple**”) and the price-to-book multiple (the “**PB Multiple**”):

	Name	Stock Code	Principal business activities	PE Multiple (Note 1)	PB Multiple (Note 2)
1	Fujian Kuncai Material Technology Corporation Co., Ltd	603826.SH	Production and sale of pearlescent materials and mica	575.73	5.99
2	Lily Group Co., Ltd.	603823.SH	Production and sale of organic pigments, pearlescent pigments and related intermediates and metallic sodium and its by-products	197.19	2.91
3	Sokan New Materials Group Co., Ltd.	688157.SH	Production and sales of functional coatings, special inks and related systematic solutions for consumer electronics and automobiles	62.27	3.98
4	Anshan Hifichem Co., Ltd	300758.SZ	Green, environmentally friendly, high-performance organic pigments, dyes, new materials	43.13	3.01
5	Sunlour Pigment Co.,Ltd	301036.SZ	Production and sale of phthalocyanine pigments, chrome pigments and other high-performance organic pigments	28.61	2.08
6	Longkou Union Chemical Co.,Ltd.	301209.SZ	Production and sale of organic pigments (mainly azo pigments in yellow, red and orange shades) and flush base inks for printing inks and related applications	214.74	15.88

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	Name	Stock Code	Principal business activities	PE Multiple (Note 1)	PB Multiple (Note 2)
7	Trust Chem Co., Ltd.	001335.SZ	Development, sales and supply-chain-integrated distribution of organic pigments and other colourants primarily used in inks, coatings and plastics	6.04	4.18
8	SKSHU Paint Co., Ltd.	603737.SH	Production and sale of architectural and industrial paint and coating products	98.25	10.04
9	Yip's Chemical Holdings Limited	408.HK	Production and sale of coatings, inks and lubricants	10.95	0.27
10	CPM Group Ltd.	1932.HK	Production and sale of paint and coating products	Loss	0.34
			Average (Note 3)	93.59	4.07
			Maximum	575.73	15.88
			Minimum	6.04	0.27
			The Company	37.24	2.61
			Chesir Pearl	6.31 (Note 4)	1.17 (Note 5)

Source: the Stock Exchange, published annual, interim and quarterly reports of the Company and the Market Comparables

Notes:

1. The PE Multiple of the Market Comparables are respectively calculated based on the market capitalization as at the date of the Chesir Pearl Minority Interest Purchase Agreement divided by the net profit attributable to the shareholders of the Market Comparables as shown in their latest published annual report.
2. The PB Multiple of the Market Comparables are respectively calculated based on the market capitalization as at the date of the Chesir Pearl Minority Interest Purchase Agreement divided by the equity attributable to the shareholders of the Market Comparables as shown in their latest published interim or quarterly reports.
3. The maximum and minimum of the PE Multiple and PB Multiple are considered to be outliers and are excluded in the calculation of the respective averages. For the avoidance of doubt, the Company's trading multiples are shown for reference only and are not included in the calculation of the average, maximum or minimum of the Market Comparables.
4. The implied PE Multiple of Chesir Pearl is calculated by first dividing the Consideration of RMB69,021,350 by 2.57% and then divided by the unaudited net profit attributable to the shareholders of Chesir Pearl for the year ended 31 December 2024 of approximately RMB425.7 million.
5. The implied PB Multiple of Chesir Pearl is calculated by first dividing the Consideration of RMB69,021,350 by 2.57% and then divided by the unaudited net assets attributable to the shareholders of Chesir Pearl as at 30 June 2025 of approximately RMB2,299.5 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above, we noted that the PE Multiples of the Market Comparables range from approximately 6.04 times to approximately 575.73 times, with an average of approximately 93.59 times (excluding the maximum and minimum, which we consider to be outliers). The implied PE Multiple of Chesir Pearl is approximately 6.31 times, which is significantly lower than the average PE Multiple of the Market Comparables and is also close to the minimum PE Multiple of the Market Comparables.

The PB Multiples of the Market Comparables range from approximately 0.27 times to approximately 15.88 times, with an average of approximately 4.07 times (excluding the maximum and minimum as outliers). The implied PB Multiple of Chesir Pearl is approximately 1.17 times, which is significantly lower than the average PB Multiple of the Market Comparables and lies towards the lower end of the range of the PB Multiple of the Market Comparables.

Given that Chesir Pearl is a non-wholly owned subsidiary of the Company and the Acquisition relates to the acquisition of its minority interest, we consider the Company's own trading multiples to be a relevant additional benchmark when assessing the implied valuation of Chesir Pearl. For reference, the PE Multiple of the Company itself, based on the Company's closing price and the profit attributable to owners of the Company for the year ended 31 December 2024, is approximately 37.24 times. In addition, based on the Company's closing price and the Group's consolidated net assets attributable to owners of the Company as at 30 June 2025, the Company's PB Multiple is approximately 2.61 times. Accordingly, the implied PE Multiple and PB Multiple of Chesir Pearl are both below the Company's own PE Multiple and PB Multiple.

Taking into account that (i) the Consideration is equal to the original cost of Chesir Pearl Minority Interest paid by Hongzun International and Hongzun Investment; (ii) the implied PE Multiple of Chesir Pearl is significantly below the average and close to the low end of the range of the PE Multiples of the Market Comparables; (iii) the implied PB Multiple of Chesir Pearl is also significantly below the average and near the low end of the range of the PB Multiple of the Market Comparables; and (iv) both the implied PE Multiple and implied PB Multiple of Chesir Pearl are lower than the corresponding trading multiples of the Company, we concur with the Directors that the Consideration is fair and reasonable so far as the Company and the Shareholders are concerned.

8. Assessment of the Issue Price of the Consideration Shares

As stated in the Letter from the Board, the Directors (excluding Dr SU) have considered the following factors in making the recommendations to acquire the Chesir Pearl Minority Interest for the Consideration Shares:

- (1) The Directors (excluding Dr SU) consider that it would be beneficial to the Group to complete the Acquisition without incurring additional cash resources of the Group of around RMB69.02 million. The Group has recently completed the acquisition of the Worldwide Business and will continue to deploy available financial resources for general working capital purpose as well as post-completion integration of the Worldwide Business into its business operations of the Group.

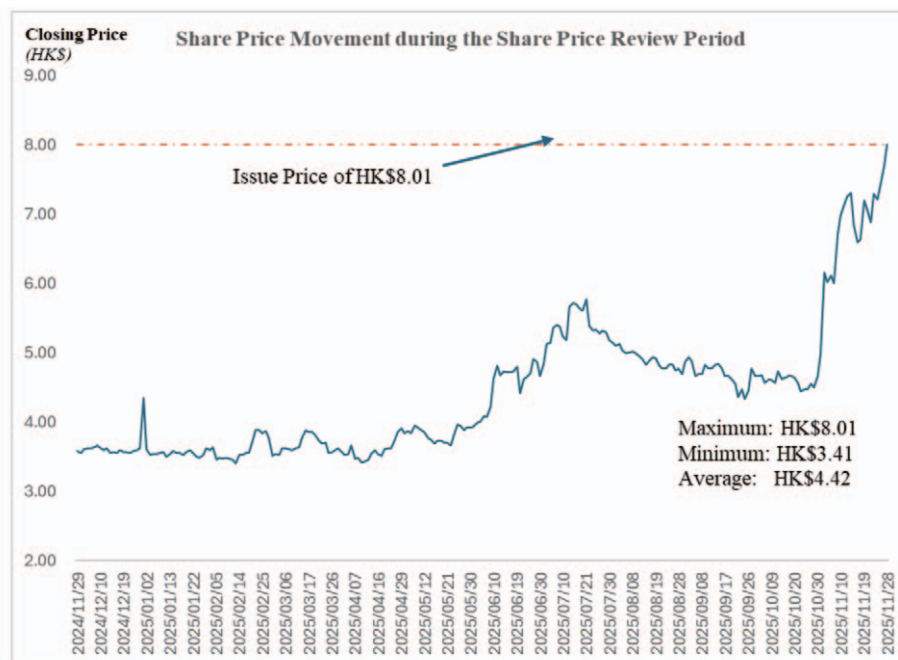
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (2) The Acquisition was intended to be part of the Reorganisation (as such term is defined in the Prospectus) for the purpose of the Company's listing on the Stock Exchange in July 2021.
- (3) The recent trading prices of the Shares and the fact that Hongzun International is willing to accept the Consideration Shares to be allotted and issued to it without any discount to such trading prices, which follows that the Company could allot and issue a smaller number of Shares for the full settlement of the Consideration at the Issue Price.

The Issue Price of HK\$8.01 for the allotment and issue of each Consideration Share represents no discount to the following closing price of the Shares as quoted on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement and represents:

- (a) same as the closing price of HK\$8.01 per Share as quoted on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement;
- (b) a premium of 9.73% over the average closing price of HK\$7.30 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the date of the Chesir Pearl Minority Interest Purchase Agreement (the **"Last Five Trading Days"**); and
- (c) a premium of 13.04% over the average closing price of HK\$7.086 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately preceding the date of the Chesir Pearl Minority Interest Purchase Agreement (the **"Last Ten Trading Days"**).

Set out below is a chart showing the movement of the closing prices of the Shares from 29 November 2024, being one year prior to the date of the Chesir Pearl Minority Interest Purchase Agreement (the **"Share Price Review Period"**).



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As illustrated in the chart above, during the Share Price Review Period, the closing Share price traded between a minimum of HK\$3.41 per Share and a maximum of HK\$8.01 per Share, with an average closing price of approximately HK\$4.42 per Share over the period. The Issue Price of HK\$8.01 is equal to the highest closing price of the Shares during the entire Share Price Review Period.

During the Share Price Review Period, the Company announced, among others, (i) a discloseable transaction in respect of deemed disposal of equity interest in Chesir Luzhai on 24 May 2025, completion of acquisition of the Worldwide Business on 31 July 2025 and increase in shareholding of CQV on 10 October 2025. Following these corporate developments, the closing price of the Shares increased gradually from HK\$3.96 on 26 May 2025 to HK\$5.77 on 21 July 2025, then eased to around HK\$4.5 by late September 2025 and traded below HK\$5.0 during October 2025. The Share price subsequently recorded a more pronounced re-rating in early November 2025, rising from HK\$6.16 on 3 November 2025 to HK\$8.01 per Share on the date of the Chesir Pearl Minority Interest Purchase Agreement.

Taking into account that the Issue Price represents (i) no discount to the closing price of the Shares as quoted on the Stock Exchange on the date of the Chesir Pearl Minority Interest Purchase Agreement; (ii) a premium of 9.73% over the average closing price of HK\$7.30 per Share in the Last Five Trading Days; (iii) a premium of 13.04% over the average closing price of HK\$7.086 per Share in the Last Ten Trading Days; and (iv) the highest closing price of the Shares during the entire Share Price Review Period, we consider the Issue Price to be fair and reasonable.

9. Evaluation of the payment method

As stated in the Letter from the Board, all equity interest of Chesir Pearl should have been acquired by the Group as part of the reorganization for the purpose of the listing of the Company on the Stock Exchange. On this basis, the Directors consider that the allotment and the issue of the Consideration Shares is appropriate.

In addition, as the Consideration will be fully satisfied by the issue of new Shares without any cash outlay by the Group, the payment arrangement will not create any immediate burden on the Group's cash flow or working capital and, in our view, provides the Company with greater flexibility in its cash management and planning.

Having considered the above, we consider that the payment method for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

10. Financial effects of the Acquisition

(i) Earnings

Upon Completion, the Group's equity interest in Chesir Pearl will increase and Chesir Pearl will remain a non-wholly owned subsidiary of the Group. Its results will continue to be consolidated into the Group's financial statements and the Acquisition will mainly affect the allocation of profit

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between the Group and the non-controlling shareholders of Chesir Pearl. As a result, a larger portion of the profit generated by Chesir Pearl, being one of the Group's core business units, will be attributable to the owners of the Company and the share of profit attributable to non-controlling interests will decrease.

(ii) *Assets and liabilities*

Upon Completion, Chesir Pearl will remain a non-wholly owned subsidiary of the Group and its assets and liabilities will continue to be consolidated into the Group's consolidated statement of financial position. As the Acquisition involves the purchase of additional equity interest in an existing subsidiary and the Consideration will be satisfied by way of the issue of the Consideration Shares, the Acquisition is not expected to result in any change to the Group's consolidated total assets and total liabilities.

(iii) *Gearing*

Since there will be no change to the Group's consolidated total assets and total liabilities, the gearing ratio of the Group would remain unchanged upon Completion.

11. Effects on shareholding structure of the Company

Upon Completion, 9,571,649 Consideration Shares will be allotted and issued under the Specific Mandate and assuming that there is no other change in the shareholding structure of the Company, the following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately following Completion:

Shareholders	As at the Latest Practicable Date		Immediately following Completion	
	Number of Shares	%	Number of Shares	%
Directors				
Dr SU ⁽¹⁾	439,636,948	35.48	449,208,597	35.98
Mr LIM Kwang Su ⁽²⁾	13,481,181	1.09	13,481,181	1.08
Mr HU Yongxiang ⁽³⁾	19,015,200	1.53	19,015,200	1.52
Public Shareholders	<u>766,736,803</u>	<u>61.90</u>	<u>766,736,803</u>	<u>61.42</u>
Total	<u>1,238,870,132</u>	<u>100.00</u>	<u>1,248,441,781</u>	<u>100.00</u>

Notes:

1. Dr SU is the Chairman and the Chief Executive Officer of the Group and an executive Director. As at the Latest Practicable, Dr SU is interested in an aggregate of 439,636,948 Shares, among which he is deemed to be interested

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in 413,203,948 Shares through certain corporations and he beneficially owns 26,433,000 Shares. Immediately following Completion, Hongzun International will hold 310,727,449 Shares, representing 24.89% of the Shares in issue. Mr JIN Zengqin, an executive Director, is deemed to be interested in 38,588,148 Shares through two corporations controlled by Dr SU and him as at the Latest Practicable Date

2. Mr LIM Kwang Su, an executive Director, beneficially owns 13,481,181 Shares as at the Latest Practicable Date
3. Mr HU Yongxiang, a non-executive Director, is deemed to be interested in 19,159,200 Shares through a corporation as at the Latest Practicable Date
4. Certain percentage figures included in the above tables are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

As shown in the table above, the shareholding of the existing public Shareholders will decrease from approximately 61.90% to approximately 61.42% immediately after the allotment and issue of the Consideration Shares, representing a dilution by approximately 0.48%. Although the shareholding interest of the existing public Shareholders will be diluted, having taking into account, among others, (i) Chesir Pearl is a core business unit and profit contributor of the Group; (ii) the Acquisition is in line with the Group's overall development strategy; (iii) positive outlook in the PRC pearlescent pigments market; (iv) the fairness and reasonableness of the Consideration; (v) the fairness and reasonableness of the Issue Price; and (vi) the generally positive financial effects to the Group as discussed in the above sections, we are of the view that the dilution effect on shareholding of the existing public Shareholders is acceptable.

CONCLUSION

Having considered the above principal factors and reasons, we are of the view that (i) the terms of the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Acquisition and the allotment and issue of the Consideration Shares even though may not be in the ordinary and usual course of business of the Company are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the EGM to approve the Acquisition and the allotment and issue of the Consideration Shares and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Innovax Capital Limited
Richard, Chu Sai Tak
Managing Director

Note: Mr. Richard Chu is a licensed person under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Innovax Capital Limited. Mr. Richard Chu has over 15 years of experience in corporate finance industry.

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company, the Acquisition the Chesir Pearl Minority Interest Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and the issued share capital of the Company (a) as of the Latest Practicable Date and (b) immediately following the Completion (assuming that there is no other change to the share capital of the Company between the Latest Practicable Date and the Completion Date) will be as follows:

(a) *As of the Latest Practicable Date*

HK\$

Authorised:

<u>80,000,000,000</u>	Shares of HK\$0.10 each	<u>8,000,000,000</u>
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Issued and fully paid or credited as fully paid:

<u>1,238,870,132</u>	Shares of HK\$0.10 each	<u>123,887,013.2</u>
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(b) *Immediately following Completion*

HK\$

Authorised:

<u>80,000,000,000</u>	Shares of HK\$0.10 each	<u>8,000,000,000</u>
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Issued and fully paid or credited as fully paid:

1,238,870,132	Shares of HK\$0.10 each	123,887,013.2
9,571,649	Shares to be allotted and issued to Hongzun International pursuant to the Chesir Pearl Minority Interest Purchase Agreement	957,164.9
<u>1,248,441,781</u>	Total	<u>124,844,178.1</u>

GENERAL INFORMATION

The Consideration Shares, credited as fully paid, shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue. The allotment and issue of the Consideration Shares will not result in a change of control of the Company (assuming that there is no other change to the share capital of the Company between the Latest Practicable Date and the Completion Date).

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules, were as follows:

Long position in the Shares

Name of Director	Nature of interest and capacity	Approximate	
		Number of the Shares or underlying Shares held	percentage of the total number of Shares in issue (Note 8)
Dr SU	Interest in controlled corporation ⁽¹⁾	301,155,800	24.31%
	Interest in controlled corporation ⁽²⁾	45,337,828	3.66%
	Interest in controlled corporation ⁽³⁾	27,234,172	2.20%
	Interest in controlled corporation ⁽⁴⁾	888,000	0.07%
	Interest in controlled corporation ⁽⁵⁾	19,129,200	1.54%
	Interest in controlled corporation ⁽⁶⁾	19,458,948	1.57%
Mr JIN Zengqin (“Mr. JIN”)	Beneficial owner	26,433,000	2.13%
	Interest in controlled corporation ⁽⁵⁾	19,129,200	1.54%
Mr LIM Kwang Su	Interest in controlled corporation ⁽⁶⁾	19,458,948	1.57%
	Beneficial owner	13,481,181	1.09%
Mr HU Yongxiang (“Mr. HU”)	Interest in controlled corporation ⁽⁷⁾	19,015,200	1.53%

GENERAL INFORMATION

Notes:

- (1) The Shares are owned by Hongzun International, which is wholly-owned by Hongzun Investment. Hongzun Investment is owned as to 99.0% and 1.0% by Dr SU and Ms WANG Huan (“**Ms WANG**”), the spouse of Dr SU, respectively. Therefore, Dr SU is deemed to be interested in all the Shares held by Hongzun Investment for the purpose of the SFO. Dr SU is the chairman of Hongzun Investment. Dr SU is the sole director of Hongzun Investment and Hongzun International, respectively.
- (2) Ertian International Investment Limited (“**Ertian International**”) is wholly-owned by Dr SU. Therefore, Dr SU is deemed to be interested in all the Shares held by Ertian International for the purpose of the SFO. Dr SU is the sole director of Ertian International.
- (3) Seven Color Pearl Investment Limited (“**Seven Color Pearl Investment**”) is wholly-owned by Dr SU. Therefore, Dr SU is deemed to be interested in all the Shares held by Seven Color Pearl Investment for the purpose of the SFO. Dr SU is the sole director of Seven Color Pearl Investment.
- (4) The general partner of Liuzhou Lianrun Enterprise Management Partnership Enterprise (Limited Partnership) (“**Liuzhou Lianrun LP**”) is Dr SU who owns 11,000 shares of Liuzhou Lianrun LP. The original 19 individual equity holders of Chesir Pearl, who are limited partners and independent third parties, own 137,000 shares of Liuzhou Lianrun LP. Therefore, Dr SU is deemed to be interested in all the Shares held by Liuzhou Lianrun LP for the purpose of the SFO. For the avoidance of doubt, there is no individual limited partner contributed more than one-third of the capital contribution of Liuzhou Lianrun LP.
- (5) The general partner of Liuzhou Qise Enterprise Management Partnership Enterprise (Limited Partnership) (“**Liuzhou Qise LP**”) is Dr SU who owns 10,000 shares of Liuzhou Qise LP. Mr JIN, being one of the limited partners, owns 1,565,200 shares of Liuzhou Qise LP and the original 6 individual equity holders of Chesir Pearl, who are limited partners and independent third parties, own 1,613,000 shares of Liuzhou Qise LP. Therefore, Dr SU and Mr JIN are deemed to be interested in all the Shares held by Liuzhou Qise LP for the purpose of the SFO. For the avoidance of doubt, there is no individual limited partner (except Mr JIN) contributed more than one-third of the capital contribution of Liuzhou Qise LP.
- (6) The general partner of Liuzhou Colorful Enterprise Management Partnership Enterprise (Limited Partnership) (“**Liuzhou Colorful LP**”) is Dr SU who owns 10,000 shares of Liuzhou Colorful LP. Mr JIN, being one of the limited partners, owns 1,500,000 shares of Liuzhou Colorful LP and the original 9 individual equity holders of Chesir Pearl, who are limited partners and independent third parties, own 1,733,158 shares of Liuzhou Colorful LP. Therefore, Dr SU and Mr JIN are deemed to be interested in all the Shares held by of Liuzhou Colorful LP for the purpose of the SFO. For the avoidance of doubt, there is no individual limited partner (except Mr JIN) contributed more than one-third of the capital contribution of Liuzhou Colorful LP.
- (7) Mr HU is the sole director of China Banyan Capital INT Holdings Limited who owns 50 shares of China Banyan Capital INT Holdings Limited. The original 12 individual equity holders of Chesir Pearl, who are independent third parties, hold 49,950 shares of China Banyan Capital INT Holdings Limited. Therefore, Mr HU is deemed to be interested in the Shares held by China Banyan Capital INT Holdings Limited.
- (8) The total number of issued Shares were 1,238,870,132 as of the Latest Practicable Date.

GENERAL INFORMATION

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or the chief executive of the Company and any of their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Directorship or employment in a company which has an interest or short position which is discloseable under divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors and the chief executive of the Company, as of the Latest Practicable Date, the following Director(s) is a director or employee of the following entities which had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of companies which had such discloseable interest or short position	Position within such company
Dr SU	Hongzun International	Director
Dr SU	Hongzun Investment	Director
Dr SU	Ertian International	Director
Dr SU	Seven Color Pearl Investment	Director
Mr HU	China Banyan Capital INT Holdings Limited	Director

Except as disclosed above, as of the Latest Practicable Date, none of the Directors or proposed Directors (if any) is a director or employee of any person or corporation who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO.

GENERAL INFORMATION

(c) Substantial shareholders' and others' interests and short positions in the Shares and underlying Shares

So far as the Directors are aware, as of the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Nature of interest and capacity	Number of the Shares or underlying Shares held	Approximate percentage of the total number of Shares in issue
			(Note 8)
Hongzun International	Beneficial owner	301,155,800	24.31%
Hongzun Investment	Interest in controlled corporation ⁽¹⁾	301,155,800	24.31%
Ms WANG	Spouse interest ⁽²⁾	439,636,948	35.48%

Notes:

1. Hongzun International is wholly-owned by Hongzun Investment. Therefore, Hongzun Investment is deemed to be interested in all the Shares held by Hongzun International for the purpose of the SFO. Dr SU is the sole director of Hongzun International and Hongzun Investment, respectively.
2. Ms WANG was deemed to be interested in all the Shares held by her spouse, Dr SU.
3. The total number of issued Shares were 1,238,870,132 as of the Latest Practicable Date.

Save as disclosed above, as of the Latest Practicable Date, the Directors were not aware of any other person or corporation having an interests or short positions in the Shares and underlying Shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

GENERAL INFORMATION

4. DIRECTOR'S INTERESTS

a. Interest in service contracts

As of the Latest Practicable Date, none of the Directors had entered, or was proposing to enter, into any service contract with any member of the Group which is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

b. Interest in competing business

As of the Latest Practicable Date, none of the Directors or their respective close associate was interested in any business apart from the Group's business, that competes or is likely to compete, either directly or indirectly, with the Group's business.

c. Interest in assets

As of the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

d. Interest in contract or arrangement

As of the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

5. LITIGATION

As of the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group.

6. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

GENERAL INFORMATION

7. MATERIAL CONTRACTS

As of the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- a. the agreement dated 25 July 2024 entered into between Merck KGaA, the Company, the Designated Sellers (as defined in the circular of the Company dated 25 June 2025) and the Share Purchasers (as defined in the circular of the Company dated 25 June 2025) in relation to, among other things, the acquisition of the worldwide surface solutions business; and
- b. the Chesir Pearl Minority Interest Purchase Agreement.

8. EXPERTS AND CONSENT

The following is the qualifications of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Innovax Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Innovax Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and references to its name in the form and context in which they respectively appear.

As of the Latest Practicable Date, Innovax Capital Limited (a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.chesir.com) from the date of this circular up to 14 days thereafter:

- (i) the Chesir Pearl Minority Interest Purchase Agreement and
- (ii) the letter of consent from the expert referred to in the paragraphs under “8. Experts and consent” in this appendix.

GENERAL INFORMATION

10. GENERAL

- a. The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- b. The principal place of business of the Company in Hong Kong is situated at Room 2703, 27/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- c. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- d. The joint company secretaries of the Company are Mr. ZHOU Fangchao and Ms. CHEUNG Ka Lun Karen. Ms. CHEUNG Ka Lun Karen is a chartered secretary, a chartered governance professional and an associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- e. This circular is in both English and Chinese. If there is any inconsistency, the English text shall prevail over the Chinese text for the purpose of interpretation.

NOTICE OF EGM



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Global New Material International Holdings Limited (the “**Company**”) will be held at 10:30 a.m. on Monday, 5 January 2026 at 6th Floor, Pearlescent Industrial Park, No. 380, Feilu Road, Luzhai Town, Luzhai County, Liuzhou City, Guangxi, China for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution of the Company. Unless the context requires otherwise, the capitalised terms used in this notice of EGM and the following ordinary resolution shall have the same meanings as those used in the circular (the “**Circular**”) of the Company dated 19 December 2025.

ORDINARY RESOLUTION

“THAT:

- (a) the Chesir Pearl Minority Interest Purchase Agreement, a copy of which is marked “A” and initialled by the chairman of EGM for identification purpose and tabled at EGM, and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate), be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted the Specific Mandate to exercise all the powers of the Company to allot and issue the Consideration Shares by the Company in accordance with the terms and conditions of the Chesir Pearl Minority Interest Purchase Agreement; and
- (c) any one Director be and is hereby authorised to do all such acts and things (including, but without limitation, signing, executing (whether under hand or under seal), perfecting and delivering all agreements, documents, amendments, variations, waivers or other instruments; and attending all such other acts or matters in the capacity as a Director) which are in his or her sole and absolute opinion, necessary, appropriate, desirable or expedient to implement or give effect to the Chesir Pearl Minority Interest Purchase

NOTICE OF EGM

Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares at the Issue Price under the Specific Mandate) and all other matters incidental thereto or in connection therewith.”

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

Hong Kong, 19 December 2025

Notes:

1. The resolutions at EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the articles of association of the Company and the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at EGM is entitled to appoint any number of proxies (who must be individuals) to attend and vote instead of him or her. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. Where there are joint Shareholders, any one of such joint Shareholders may vote at EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint Shareholders be present at EGM personally or by proxy, that one of the said joint Shareholders so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. For this purpose, seniority shall be determined by reference to the order in which the names of the joint shareholders stand on the register of members of the Company in respect of the relevant joint shareholding.
4. In order to be valid, the form of proxy together with a power of attorney or other authority, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for EGM, i.e. before 10:30 a.m. on Saturday, 3 January 2026, or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In determining the entitlement to attend and vote at EGM, the register of members of the Company will be closed from Tuesday, 30 December 2025 to Monday, 5 January 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at EGM, all Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 December 2025.

As of the date of this notice, the Board comprises Dr SU Ertian (Chairman and Chief Executive Officer), 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.