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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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF JH SALE SHARES

UPDATE ON THE STATUS OF THE ACQUISITION

ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

BACKGROUND

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Global New Material International Holdings Limited (the "**Company**") pursuant to Rule 14.36 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Board refers to (i) the announcement (the "**Announcement**") of the Company dated 11 February 2026 in respect of the Junheng LLP Formation, the Possible Grant of Put Option and the Acquisition and the transactions contemplated thereunder and (ii) the announcements (the "**Delay Announcements**") of the Company dated 27 March 2026 and 30 June 2026 in relation to the delay and further delay in despatch of circular. Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as used in the Announcement.

Pursuant to the Share Transfer Agreement, if the results of the due diligence are satisfactory to Junheng LLP to a reasonable extent, the parties shall negotiate and sign the Supplemental Agreement as soon as possible after the completion of the due diligence to expedite the Acquisition. As the due diligence performed by the Group on the Jihua Group over the past months are satisfactory to Junheng LLP, the relevant parties entered into the Supplemental Agreement on 16 July 2026.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are as follows:

Date

16 July 2026

Parties

(a) Junheng LLP (as the purchaser);

(b) Hangzhou Jinhui (as one of the Vendors); and

(c) Mr Shao (as one of the Vendors).

Additional conditions precedent

In addition to the existing conditions precedent set forth in the Share Transfer Agreement, the parties agreed to incorporate the following additional conditions precedent to the Completion:

(a) the representations and warranties made by Hangzhou Jinhui and Mr Shao (collectively, the "**Guarantors**") under the Supplemental Agreement are true, accurate and complete, and any undertakings and covenants to be observed or performed by the Guarantors as stipulated in the Supplemental Agreement have been observed or performed in all respects;

(b) the Jihua Group continues to operate as a going concern and maintains its listing status, and no material adverse change has occurred;

(c) there are no laws, regulations, securities regulatory authorities or other governmental bodies, judicial decisions or the like that expressly prohibit this transaction or impose conditions on this transaction that are not customary market conditions and that would impede this transaction and that, following a decision by Junheng LLP, are unacceptable or the acceptance of which would cause Junheng LLP to suffer material losses;

(d) the internal deliberation procedures, all necessary governmental approvals, registrations, filings, consents and other authorisations, as well as any necessary third-party consents (if any), required for the execution, delivery and performance of the Supplemental Agreement and Junheng LLP's acquisition of the JH Sale Shares shall have been obtained;

(e) the Guarantors have provided the unaudited consolidated balance sheet of the Jihua Group as of the last day of the calendar month immediately preceding the Completion Date, together with the related profit and loss statement and cash flow statement, and such financial statements indicate that there has been no material adverse change in the operating condition of the Jihua Group;

(f) the land in respect of which the Jihua Group's land use rights have expired (as specified in the Supplemental Agreement) has been renewed, or confirmation regarding such renewal has been obtained from the competent authorities;

(g) the relevant project approval, environmental impact assessment, energy assessment, safety assessment, fire protection and other procedural documents (as specified in the Supplemental Agreement) in respect of the Jihua Group's fixed asset investment projects have been provided with, obtained, or confirmation has been received from the competent authorities, or a qualified report has been duly issued by a qualified third-party institution and filed with the competent authorities. Where, due to objective obstacles, such matters cannot be completed prior to the Completion and Junheng LLP has agreed to waive such matter as a condition precedent to the Completion, the Guarantors shall use their best efforts to cooperate in completing the rectification after the Completion at Junheng LLP's request; and

(h) with respect to the change of control restriction clauses in the Jihua Group's borrowing/credit facility/guarantee agreements or other contracts (as specified in the Supplemental Agreement), consents from the relevant counterparties have been obtained or the relevant counterparties have been notified in accordance with the terms of the relevant contracts. For this purpose, Junheng LLP shall provide necessary support and assistance.

Indemnification

Without prejudice to any other remedies available to Zhejiang Jihua under the Supplemental Agreement and the PRC law, where any of the specified matters below occurs and results in any costs or losses incurred by the Jihua Group after the Completion Date (the "**Specified Amount**"), the Guarantors shall, on a joint and several basis, fully indemnify Zhejiang Jihua for such Specified Amount within five Business Days after the Specified Amount is incurred:

(a) material litigation involving the Jihua Group arising from matters occurring prior to the Completion where the amount of a single claim exceeds RMB5 million, or the aggregate amount in respect of the same matter exceeds RMB10 million; or

(b) with respect to all trust products, asset management products, wealth management products, equity investments and other financial assets of all types held by the Jihua Group prior to the Completion Date and attributable to the period prior to the Completion Date (excluding the real estate trust investments that had become overdue by the end of 2025 and for which impairment provisions have already been made and which have been disclosed by the Vendors to Junheng LLP, and excluding private equity fund investments, as further detailed in the Supplemental Agreement), in the event that such assets suffer impairment in value after the Completion Date, or the principal and returns thereon cannot be fully recovered upon maturity, all costs and losses arising therefrom.

Specific undertakings and guarantees by the Guarantors

Among other representations, warranties, undertakings and guarantees given by the Guarantors in the Share Transfer Agreement and the Supplemental Agreement, the Guarantors have given the following specific undertakings and guarantees to Junheng LLP:

(1) Guarantee regarding listed status

Should any facts, acts, circumstances or matters occurring or existing prior to the Completion Date of this transaction result in Zhejiang Jihua being subject to other risk warnings, a delisting risk warning or delisting measures, Junheng LLP shall be entitled to demand the termination of the Supplemental Agreement and shall be entitled to require the Guarantors to repurchase, within one month of the occurrence of the aforementioned circumstances, all or part of the JH Sale Shares.

(2) Guarantee regarding adequate funds

The Guarantors undertake that, on the Completion Date, Zhejiang Jihua's freely disposable, unencumbered net cash shall not be less than RMB1.8 billion. To ensure that the aforementioned capital requirements are met on an ongoing basis, the Guarantors shall strictly fulfil the following obligations:

Replenishment of Capital Shortfalls: If, on the Completion Date, Zhejiang Jihua's net cash falls short of RMB1.8 billion, the Guarantors shall make up the shortfall in full within three Business Days of the date on which the shortfall arises, thereby ensuring that the capital threshold is maintained at all times. If the Guarantors make up the shortfall within three Business Days of Zhejiang Jihua's cash shortfall arising, this shall not be deemed a breach of the capital adequacy undertaking.

Liability Restrictions: During the transition period (i.e. prior to the Completion Date), should the Jihua Group incur new financial liabilities in excess of RMB10 million, it must give prior notice to Junheng LLP and reach a mutual agreement with Junheng LLP (excluding bank acceptance bills issued for the normal operations of Zhejiang Jihua). Prior to the Completion, the Jihua Group must not engage in any of the following: abnormal dividend distributions, misappropriation of funds by related parties, non-operational external borrowing, abnormal wealth management activities, abnormal bills of exchange/letters of guarantee/guarantees, arrears to suppliers, or any other conduct that increases the Jihua Group's liabilities, obligations or risks beyond the scope of normal business operations.

(3) Non-competition

For a period of five years following the Completion, the Guarantors and their associated parties shall not, in any part of the territory of the PRC, through any direct or indirect means, including but not limited to, wholly-owned enterprises, equity participation, controlling interests, investments, partnerships, trust management, nominee holding, or holding positions as directors, supervisors or senior management, head of core technology or business, or any other internal or external position; technical capital contribution; project collaboration; brand licensing; or contract manufacturing (whether through equity, contract or any other means, except for the purchase and holding of less than one per cent of the tradable shares or other securities issued by the aforementioned company from a public stock exchange):

(a) establish, invest in or operate any business entity engaged in activities that compete with the Jihua Group's business (hereinafter referred to as a "**Competitor**");

(b) provide any Competitor with support in the form of funds, technology, distribution channels, premises, customer resources or the like;

(c) to utilise the Jihua Group's trade secrets, operational information or project resources of which they were aware prior to this share transfer to assist third parties in carrying out competitive business activities; or to induce, lobby or otherwise solicit the Jihua Group's key personnel, customers or suppliers in any manner to terminate their employment relationship with the Jihua Group, or to terminate, reduce or indirectly discontinue existing business cooperation with the Jihua Group; and

(d) the scope of the Jihua Group's business shall be determined by the Jihua Group's actual business operations as of the Completion Date as the benchmark for identifying competitive businesses.

(4) Obligation to assist with Completion

For the purposes of ensuring the smooth Completion, following payment of the second instalment of the Purchase Price, Junheng LLP shall be entitled to appoint personnel to act as observers to examine, inspect and verify the assets, records and documents of the Jihua Group relating to the Completion, and to familiarise themselves with and gain access to the Jihua Group's business operations for the purposes of Completion; the Guarantors shall provide the necessary assistance in accordance with Junheng LLP's reasonable requests. On the Completion Date and for a period of 12 months thereafter, the Guarantors shall, upon Junheng LLP's request, promptly sign and deliver to Junheng LLP all relevant documents (or cause equivalent documents to be signed and delivered to Junheng LLP), and shall promptly take such other actions as Junheng LLP may reasonably require to complete this transaction, without Junheng LLP or the Jihua Group incurring any additional costs or expenses in this regard. To this end, the Guarantors shall provide the necessary support as requested by Junheng LLP, including but not limited to:

(a) promptly fulfilling all obligations set out in the Share Transfer Agreement, and providing the necessary assistance as requested by Junheng LLP to complete the formalities for the replacement of directors and senior management (including the completion of internal review procedures and relevant registration and filing procedures), including providing relevant documents, signing relevant documents or taking other necessary actions;

(b) to respond promptly to enquiries regarding this transaction or the Jihua Group raised by the Shanghai Stock Exchange, the registration and settlement authority, other competent authorities, lending banks or other third parties;

(c) to provide all necessary assistance to enable Junheng LLP and its representatives, employees and advisers to gain a further understanding of and familiarise themselves with the Jihua Group in all legal, commercial, operational and other respects;

(d) to provide all necessary assistance in relation to the renewal or amendment of any qualifications, licences, permits, approvals, registrations, filings or any other government formalities pertaining to the Jihua Group; and

(e) should the Jihua Group's operations require the Guarantors' assistance in connection with any matters arising prior to Completion, to provide all necessary assistance as requested by Junheng LLP.

Save and except for the aforementioned amendments and/or incorporation of new key terms as disclosed in this announcement, all other terms and conditions of the Sale Transfer Agreement shall remain unchanged and in full force and effect.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

Pursuant to the Share Transfer Agreement, if the results of the due diligence are satisfactory to Junheng LLP to a reasonable extent, the parties shall negotiate and sign the Supplemental Agreement as soon as possible after the completion of the due diligence to expedite the Acquisition.

Accordingly, on the basis that the due diligence performed on the Jihua Group is satisfactory to Junheng LLP, it is a contractual requirement to enter into the Supplemental Agreement for the purpose of proceeding with the Acquisition.

Furthermore, the Supplemental Agreement provides additional benefits for and protection to Junheng LLP (for instance, the additional conditions precedent, the indemnification provided by the Guarantors, and the specific undertakings and guarantees given by the Guarantors) as illustrated in this announcement above.

Having considered the above, all the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Directors have any material interest in the Supplemental Agreement and the transactions contemplated thereunder, and are therefore not required to abstain from voting on the relevant Board resolutions.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement, circular, Shareholders' approval and reporting requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The EGM will be convened to consider and, if thought fit, approve, among others, the Acquisition (including the Share Transfer Agreement and the Supplemental Agreement) and the transactions contemplated thereunder.

A circular (the "**Circular**") containing, among other things, further information on the Junheng LLP Formation, the Possible Grant of Put Option and the Acquisition and other information as required by the Listing Rules and a notice of the EGM will be despatched to the Shareholders.

Reference is made to the Delay Announcements. As additional time is required for the finalisation of the relevant information to be included in the Circular taking into consideration the complexity of the transactions involved, the date of despatch of the Circular is expected to be on or before 31 August 2026.

The completion of the transactions contemplated under the Share Transfer Agreement and the Supplemental Agreement is subject to the conditions precedent which may or may not be fulfilled. Shareholders and prospective investors of the Company are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 17 July 2026

As of the date of this announcement, 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.