

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set forth below.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

“2017 Convertible Loan”	the convertible loan in the principal amount of RMB30,000,000 borrowed by Chesir Pearl from 廈門國際信托有限公司 (Xiamen International Trust Co., Ltd.) which is an Independent Third Party, see the section headed “Financial Information — Components of our non-current assets and non-current liabilities — Convertible loans — 2017 Convertible Loan” in this document for further information
“2019 Convertible Bonds”	the convertible bonds in the principal amount of RMB72,240,000 issued by Chesir Pearl to the Bondholders on 31 May 2019 pursuant to the Convertible Bond Subscription Agreement, which had been transferred to Guidong Electric under the Convertible Bonds Transfer Agreement, and the conversion right attached therewith has been exercised in full by Guidong Electric, see the section headed “[REDACTED] Investments” in this document for further information
“Accountants’ Report”	the report of the Reporting Accountants on our financial information during the Track Record Period, the text of which is set forth in Appendix I to this document
	[REDACTED]
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company conditionally adopted on [REDACTED] which will become effective on the [REDACTED], a summary of which is set forth in Appendix IV to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	a committee established by our Board for the purpose of overseeing the accounting and financial reporting processes of our Group and the audit of the financial statements of our Company
“Board of Directors” or “Board”	our board of Directors

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“Bondholders” the initial holders of the 2019 Convertible Bonds, namely 福睿創信(廈門)新興產業投資合伙企業(有限合伙) (Furui Innovation (Xia Men) Emerging Industry Investment Partnership Enterprise (Limited Partnership)) and 西藏福聚投資有限公司 (Tibet Fujū Investment Co., Ltd)

“Business Day” any day other than a Saturday, Sunday or public holiday in Hong Kong or days on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on which licenced banks in Hong Kong are generally open for business during their normal business hours

“Buy-back Mandate” the general unconditional mandate granted to our Directors by our Shareholders in relation to the buy-back of our Shares, see the section headed “Share Capital” in this document for further information

“BVI” the British Virgin Islands

[REDACTED]

“Cayman Companies Act” the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands

[REDACTED]

“Cayman Share Swap” a share swap implemented and accepted by all shareholders of Generous Fortune, whereby one share of Generous Fortune was exchanged for one Share, except for the 7,493,138 shares of Generous Fortune held by Ertian International, which were exchanged for 3,593,138 Shares allotted and issued to Ertian International

[REDACTED]

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[REDACTED]

“Chesir France”	Chesir Europe S.A.S., a joint stock company with sole shareholder incorporated under the laws of France on 5 December 2016 and a wholly-owned subsidiary of Chesir Pearl
“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 on 20 September 2017 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 on 29 March 2011 and a non-wholly owned subsidiary of our Company
“Chesir Pearl Equity Acquisition Agreement”	the acquisition agreement dated 18 November 2020 entered into between Global New Material (HK) and the Consent Chesir Pearl Equity Holders, pursuant to which the Consent Chesir Pearl Equity Holders have agreed to transfer their shares of Chesir Pearl for the same number of new shares of Generous Fortune to be allotted and issued to them (or their nominees)
“China” or “PRC”	The People’s Republic of China and, except where the context otherwise requires and only for the purpose of this document, references in this document to China or the PRC exclude Hong Kong and The Macau Special Administration Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Global New Material International Holdings Limited (环球新材国际控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 June 2018

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“Compliance Adviser”	Essence Corporate Finance (Hong Kong) Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, acting as our compliance adviser upon the [REDACTED]
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consent Chesir Pearl Equity Holders”	the 22 equity holders of Chesir Pearl who have agreed and completed the required procedures under the applicable PRC laws and regulations to transfer their equity interests in Chesir Pearl for the same number of shares of Generous Fortune under the Chesir Pearl Equity Acquisition Agreement, a list of which is set forth in the section headed “History, Development and Reorganisation — Reorganisation — Generous Fortune” in this document
“Continuous Profit”	Continuous Profit Limited (連潤有限公司), a company incorporated under the laws of the BVI with limited liability on 28 March 2018 and wholly-owned by Mr. SU
“Controlling Shareholders”	have the meaning ascribed to it under the Listing Rules and in the context of this document, include Mr. SU, Ertian International, Seven Color Pearl Investment, Liuzhou Qise LP, Liuzhou Lianrun LP, Liuzhou Colorful LP, Mr. ZHENG, Mr. JIN, Hongzun Investment and Hongzun International
“Convertible Bonds Conversion Agreement”	the agreement dated 19 October 2020 entered into between Chesir Pearl and Guidong Electric for the purpose of exercising the conversion right attached with the 2019 Convertible Bonds
“Convertible Bonds Subscription Agreement”	the convertible bonds subscription agreement dated 31 May 2019 entered into between the Bondholders and Chesir Pearl, see the section headed “History, Development and Reorganisation — Corporate history of our subsidiaries in the PRC — Chesir Pearl — Issuance of the 2019 Convertible Bonds” in this document for further information
“Convertible Bonds Transfer Agreement”	the convertible bonds transfer agreement dated 16 October 2020 entered into between Guidong Electric and the Bondholders
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), a regulatory body responsible for the supervision and regulation of the PRC national securities markets

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“Deed of Non-Competition”	the deed of non-competition dated [REDACTED] entered into by our Controlling Shareholders and our executive Directors in favour of our Group, see the section headed “Relationship with our Controlling Shareholders” in this document for further information
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax in the PRC
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法)
	[REDACTED]
“Ertian International”	Ertian International Investment Limited (爾田國際投資有限公司), a company incorporated under the laws of the BVI with limited liability on 27 October 2020 and wholly-owned by Mr. SU, being one of our [REDACTED] Investors and Controlling Shareholders
“Euro” or “EUR”	Euro, the lawful currency of the European Union
“First Six-Month Period”	the period of six months from the [REDACTED]
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
“Frost & Sullivan Report”	the report commissioned by us and independently prepared by Frost & Sullivan on the industry in which we operate, a summary of which is set forth in the section headed “Industry Overview” in this document
“GBP”	British pound sterling, the lawful currency of the United Kingdom
“General Mandate”	the general unconditional mandate granted to our Directors by our Shareholders in relation to the issue of new Shares, further information of which is set forth in the section headed “Share Capital” in this document
“Generous Fortune”	Generous Fortune Limited (盛富有限公司), a company incorporated in the BVI with limited liability on 15 June 2018 and a wholly-owned subsidiary of our Company

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“GF Qianhe”	GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), a company established under the laws of the PRC with limited liability on 11 May 2012 with a registered capital of RMB3.60 million, which is an equity holder of Chesir Pearl prior to the GF Share Swap
“GF Share Swap”	a share swap implemented and accepted by GF Qianhe, being part of the Reorganisation, whereby one share in Chesir Pearl was exchanged for one Share
“Global New Material (HK)”	Global New Material (China) Limited (環球新材(中國)有限公司), a company incorporated in Hong Kong with limited liability on 30 December 2019 and a wholly-owned subsidiary of our Company
	[REDACTED]
“Group” or “our Group”, “we” or “us”	our Company and subsidiaries, or where the context so requires, in respect of the period prior to our Company becoming the holding company of the present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at that time
“Guangxi Industrial Investment”	Guangxi Industrial Investment Development Co., Ltd. (廣西工業投資發展有限責任公司), a company wholly-owned by the People’s Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府), and is holding 39.96% equity interest in Chesir Luzhai
“Guidong Electric”	Guangxi Guidong Electric Power Co., Ltd. (廣西桂東電力股份有限公司), a company established under the laws of the PRC with limited liability on 4 December 1998, whose shares have been listed on the Shanghai Stock Exchange since 28 February 2001 (stock code: 600310), which is one of our [REDACTED] Investors
“Guidong Lock-Up Deed”	the lock-up deed executed by Guidong Electric, see the sections headed “[REDACTED] Investments” and “[REDACTED] — Undertakings given to the Company and the Sole Sponsor” in this document for further information
“Guidong Share Swap”	a share swap implemented and accepted by Guidong Electric, being part of the Reorganisation, whereby one share in Chesir Pearl was exchanged for one Share

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“GX Land & Sea” GX Land & Sea Connectivity Holding Ltd., a company incorporated in the BVI with limited liability on 20 March 2020, which is one of our [REDACTED] Investors

“GX Lock-Up Deed” the lock-up deed executed by GX Land & Sea, see the sections headed “[REDACTED] Investments” and “[REDACTED] — Undertakings given to the Company and the Sole Sponsor” in this document for further information

“GX [REDACTED] Investment Agreement” the investment agreement dated 19 October 2020 entered into between GX Land & Sea, Chesir Pearl, our Company and Mr. SU, a summary of its principal terms is set forth in the section headed “[REDACTED] Investments” in this document

[REDACTED]

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” The Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

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[REDACTED]

“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 on 18 August 2010 and owned as to 51.0% and 49.0% by Mr. SU and Mr. ZHENG, respectively, being one of our Controlling Shareholders
“Hongzun International”	Hongzun Int Investment Group Ltd. (鴻尊國際投資集團有限公司), a company incorporated under the laws of the BVI with limited liability on 27 October 2020 and a wholly-owned subsidiary of Hongzun Investment, being one of our Controlling Shareholders
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) who/which, to the best knowledge, information and belief of our Directors, having made all reasonable enquiries, is/are not connected with our Company or our connected persons

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[REDACTED]

“Latest Practicable Date”

[29 March] 2021, being the latest practicable date prior to the printing of this document for ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules”

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

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“Liuzhou Colorful LP”	Liuzhou Colorful Enterprise Management Partnership Enterprise (Limited Partnership) (柳州七彩企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 3 November 2020, which is (a) one of our Controlling Shareholders, the general partner of which is Mr. SU, and is owned as to 10,000 shares by Mr. SU, 1,500,000 shares by Mr. JIN and 2,988,158 shares by 18 original individual equity holders of Chesir Pearl acting as limited partners, who are Independent Third Parties and (b) one of our [REDACTED] Investors as it accepted the transfers of the shares of Chesir Pearl after the NEEQ Listing Withdrawal (such shares of Chesir Pearl have been exchanged for our Shares pursuant to the Chesir Pearl Equity Acquisition Agreement and the Cayman Share Swap as part of the Reorganisation)
“Liuzhou Industrial Investment”	Guangxi Liuzhou Industrial Investment Development Group Co., Ltd. (廣西柳州市產業投資發展集團有限公司), a State-owned management enterprise established in the PRC, which is wholly-owned and managed by the State-owned Assets Supervision and Administration Commission of Liuzhou City Municipal Government (柳州市人民政府國有資產監督管理委員會)
“Liuzhou Lianrun LP”	Liuzhou Lianrun Enterprise Management Partnership Enterprise (Limited Partnership) (柳州連潤企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 3 November 2020, which is (a) one of our Controlling Shareholders, the general partner of which is Mr. SU, and is owned as to 11,000 shares by Mr. SU and 217,000 shares by 24 original individual equity holders of Chesir Pearl, acting as limited partners, who are Independent Third Parties and (b) one of our [REDACTED] Investors as it accepted the transfers of the shares of Chesir Pearl after the NEEQ Listing Withdrawal (such shares of Chesir Pearl have been exchanged for our Shares pursuant to the Chesir Pearl Equity Acquisition Agreement and the Cayman Share Swap as part of the Reorganisation)

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“Liuzhou Qise LP”	Liuzhou Qise Enterprise Management Partnership Enterprise (Limited Partnership) (柳州七色企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 3 November 2020, which is (a) one of our Controlling Shareholders, the general partner of which is Mr. SU, and is owned as to 10,000 shares by Mr. SU, 1,565,200 shares by Mr. JIN and 2,976,000 shares by 18 original individual equity holders of Chesir Pearl acting as limited partners, who are Independent Third Parties and (b) one of our [REDACTED] Investors as it accepted the transfers of the shares of Chesir Pearl after the NEEQ Listing Withdrawal (such shares of Chesir Pearl have been exchanged for our Shares pursuant to the Chesir Pearl Equity Acquisition Agreement and the Cayman Share Swap as part of the Reorganisation)
“Luzhai Capital Contribution Agreement”	the capital contribution agreement dated 18 January 2018 entered into between Chesir Pearl, Chesir Luzhai and Liuzhou Industrial Investment in relation to the equity investment in Chesir Luzhai by Liuzhou Industrial Investment
“Luzhai Supplemental Agreement”	the supplemental agreement dated 18 September 2020 entered into between Chesir Pearl, Chesir Luzhai, Liuzhou Industrial Investment and Guangxi Industrial Investment in relation to the removal of certain protective provisions under the Luzhai Capital Contribution Agreement
“Luzhai Synthetic Mica Plant”	the production plant planned to be constructed with an estimated site area of 42,467.2 sq.m. for the production of synthetic mica flakes with an estimated designed annual production capacity of 30,000 tonnes, see the section headed “Future Plans and [REDACTED] — Construction of our Luzhai Synthetic Mica Plant” in this document for further information
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company, as amended from time to time, a summary of which is set forth in Appendix IV to this document
“MOF”	中華人民共和國財政部 (The Ministry of Finance of the PRC)
“MOFCOM”	中華人民共和國商務部 (The Ministry of Commerce of the PRC)

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“Mr. JIN”	Mr. JIN Zengqin (金增勤先生), one of our executive Directors and our Controlling Shareholders
“Mr. SU”	Mr. SU Ertian (苏尔田先生), our Chairman, Chief Executive Officer and one of our executive Directors and our Controlling Shareholders
“Mr. ZHENG”	Mr. ZHENG Shizhan (郑世展先生), one of our executive Directors and our Controlling Shareholders
“NDRC”	中華人民共和國國家發展和改革委員會 (The National Development and Reform Commission of the PRC)
“NEEQ”	全國中小企業股份轉讓系統 (The National Equities Exchange and Quotations), an over-the-counter system for trading of shares of public limited companies which are not listed on either the Shenzhen Stock Exchange or the Shanghai Stock Exchange operated by NEEQ Company and is generally known as the “New Third Board” (新三板)
“NEEQ Listing Withdrawal”	the withdrawal of quotation and termination of listing and trading of the shares of Chesir Pearl on NEEQ in September 2019 upon the application submitted by Chesir Pearl
“Nomination Committee”	a committee established by our Board to discharge our Board’s responsibilities relating to the nomination of Directors and senior management of our Company
“NPC Standing Committee”	全國人民代表大會常務委員會 (The Standing Committee of the National People’s Congress)

[REDACTED]

“Other Shareholders Lock-Up Deeds”	the lock-up deeds executed by 17 existing Shareholders, see the sections headed “[REDACTED] Investments” and “[REDACTED] — Undertakings given to the Company and the Sole Sponsor” in this document for further information
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DEFINITIONS

[REDACTED]

“Phase 1 Production Plant”	the production plant currently used by us and located in Liuzhou City, Guangxi Zhuang Autonomous Region, the PRC with a total site area of 99,688.2 sq.m. and an aggregate gross floor area of 56,445.6 sq.m. for research and development and production of our pearlescent pigment products and synthetic mica powder with designed annual production capacity of 13,740 tonnes of pearlescent pigment products and designed annual production capacity of 9,504 tonnes of synthetic mica powder for the year ended 31 December 2020, see the section headed “Business — Our production facilities” in this document for further information
“Phase 2 Production Plant”	the production plant planned to be constructed with an estimated total site area of 148,713.7 sq.m. for the production of our pearlescent pigment products with an estimated designed annual production capacity of 30,000 tonnes, see the section headed “Future Plans and [REDACTED] — Construction of our Phase 2 Production Plant” in this document for further information
“[REDACTED] Share Option Scheme”	the share option scheme conditionally approved and adopted by our Shareholders on [REDACTED], the principal terms of which are summarised in the paragraphs under “D. [REDACTED] Share Option Scheme” in Appendix V to this document
“PRC Government”	the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or any of them
“PRC Legal Advisers”	AllBright Law Offices (Fuzhou), our legal advisers as to PRC laws

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“[REDACTED] Investments”	the equity investment to members of our Group by GX Land & Sea, Guidong Electric and Mr. SU and the shares transferred to shareholders of Chesir Pearl after the NEEQ Listing Withdrawal, which have been converted into our Shares pursuant to the Reorganisation, see the section headed “[REDACTED] Investments” in this document for further information
“[REDACTED] Investors”	(a) GX Land & Sea (in relation to the subscription for 12,787,724 shares of Generous Fortune), Guidong Electric (in relation to the subscription for 8,000,000 shares of Chesir Pearl pursuant to the exercise of the conversion right attached with the 2019 Convertible Bonds) and Mr. SU (through Ertian International and Seven Color Pearl Investment) (in relation to the subscription for 12,000,000 shares of Chesir Pearl) and (b) the 25 equity holders of Chesir Pearl who accepted the transfer of the shares of Chesir Pearl after the NEEQ Listing Withdrawal (excluding Mr. SU and Mr. HU Yongxiang, both are Directors), a list of which is set forth in the section headed “[REDACTED] Investments — Equity holders of Chesir Pearl deemed to be our [REDACTED] Investors” in this document
	[REDACTED]
“Relevant Persons”	the Sole Sponsor, [REDACTED] and any other parties involved in the [REDACTED] or any of their respective directors, officers or representatives
“Remuneration Committee”	a committee established by our Board to discharge our Board’s responsibilities relating to the remuneration of Directors and executive officers of our Company
“Reorganisation”	the corporate reorganisation steps undergone by our Group in preparation for the [REDACTED], see the section headed “History, Development and Reorganisation — Reorganisation” in this document for further information
“Reporting Accountants” or “Auditors”	RSM Hong Kong, a firm of certified public accountants in Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	國家外匯管理局 (The State Administration of Foreign Exchange of the PRC)

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“SAT”	中華人民共和國國家稅務總局 (The State Administration of Taxation of the PRC)
“Second Six-Month Period”	the period of six months commencing from the expiry of the First Six-Month Period
“Seven Color Pearl Investment”	Seven Color Pearl Investment Limited (七色珠光投資有限公司), a company incorporated under the laws of the BVI with limited liability on 27 October 2020 and wholly-owned by Mr. SU, being one of our [REDACTED] Investors and Controlling Shareholders
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shanghai Multicolor”	Shanghai Multicolor Pearl Effect Material Co., Ltd (上海萬紫千紅珠光效應材料有限公司), a company established under the laws of the PRC with limited liability on 14 January 2014 and a wholly-owned subsidiary of Chesir Pearl
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of our Company
“Shareholder(s)”	holder(s) of our Shares from time to time
	[REDACTED]
“Sole Sponsor”	Essence Corporate Finance (Hong Kong) Limited
	[REDACTED]
“State Council”	中華人民共和國國務院 (The State Council of the PRC)
	[REDACTED]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

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“SU Subscription Agreement” the share subscription agreement dated 19 October 2020 entered into between Chesir Pearl and Mr. SU in relation to the subscription for 12,000,000 shares of Chesir Pearl, a summary of its principal terms is set forth in the section headed “[REDACTED] Investments” in this document

“Takeovers Codes” The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs

“Track Record Period” the three years ended 31 December 2020

[REDACTED]

“United States” or “U.S.” the United States of America, its territories and possessions, and all areas subject to its jurisdiction

“US dollars” or “US\$” United States dollar, the lawful currency of the United States

“VAT” value-added tax in the PRC

[REDACTED]

“%” percentage or per cent.