

TARGET

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**GLOBAL NEW MATERIAL INTERNATIONAL HOLDINGS LTD:
SO FAR, THIS COMPANY IS A WINNER,
BUT WILL IT BE ABLE TO CONTINUE AS SUCH ?**

About 61 days after the publication and dissemination of the Global Offering of Global New Material International Holdings Ltd (環球新材國際控股有限公司) (Code: 6616, Main Board, The Stock Exchange of Hongkong Ltd), management of this pearlescent pigment producer announced its Interim Results in respect of the six months, ended June 30, 2021.

Whether or not minority shareholders of this Company had fully expected the rather positive contents of this Interim Report, two months prior to its publication, one could not cogitate or even ruminate, but it should have caused smiles on the faces of those minority investors who had signed up to purchase some of the Offer Shares at the time of the Global Offering.

The following is extracted from the Interim Results Announcement of Monday, August 30, 2021:

	Six Months, Ended June 30		Percentage Increase
	2021	2020	
	All Figures Are Denominated In Renminbi'000 (except where otherwise indicated)		
Revenue	307,027	245,008	25.31
Gross Profit	161,934	119,079	35.99
Profit From Operations	116,416	83,692	39.10
Net Profit Attributable To Shareholders	94,115	61,002	54.28

With regard to Revenue, obtained from external customers, Page Six of the Interim Results Announcement stated that income obtained from customers, domiciled in the People's Republic of China (PRC), being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC, rose from the First Half Results of the 2020 Financial Year, being RMB230,700,000, to the First Half Results of the 2021 Financial Year, being RMB295,441,000, in increase, Period-To-Period, of 28.06 percent.

Revenue from that which was labelled only as 'Others,' there had been a reduction of about 19.02 percent, Period-To-Period, falling to RMB11,586,000.

**The Initial Public Offering (IPO) Of
Global New Material International Holdings Ltd**

The Global Offering Prospectus of Global New Material International Holdings Ltd was published and disseminated in the HKSAR on or about Wednesday, June 30, 2021.

The Company was desirous of selling a total of 290,674,000, 10-cent Offer Shares at the Indicative Offer Price Per Share, ranging from a low of not less than \$HK3.52 to a high of not more than \$HK4.22.

HKSAR Investors were offered the opportunity to subscribe to 29,068,000 Offer Shares while International Investors – Institutional Investors, Professional Investors, and select, Well-Heeled Investors, along with their corporate entities in which this class of investors was deemed to own, legally and beneficially, equity control – were induced to apply for the remaining 261,606,000 Offer Shares.

But, on Friday, July 9, 2021, Management of Global New Material International Holdings Ltd announced a **‘PRICE REDUCTION ANNOUNCEMENT’**.

At Pages One and Two of this announcement, one was informed:

‘The Company has made a Downward Offer Price Adjustment. Accordingly, the final Offer Price has been set at HK\$3.25 per Offer Share which is 7.67% below the bottom end of the indicative Offer Price range (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

‘Based on the final Offer Price of HK\$3.25 per Offer Share, the related changes to the Global Offering are:

- *the Net Proceeds from the Global Offering to be received by the Company, is reduced to be approximately HK\$879.0 million. The Company intends to apply the decreased Net Proceeds for the purposes on a pro-rata basis as disclosed in the Prospectus, which are as follows:*
 - *approximately HK\$488.8 million, representing approximately 55.6% of the Net Proceeds, will be used for partial financing of the construction of our Phase 2 Production Plant, of which (a) HK\$244.4 million will be used for the construction of various buildings and facilities for our Phase 2 Production Plant and (b) HK\$244.4 million will be used for the purchase and installation of production plant and machinery, installation of intelligent control system, equipment installation, testing and commission;*
 - *approximately HK\$299.8 million, representing approximately 34.1% of the Net Proceeds, will be used for partial financing of the construction of our Luzhai Synthetic Mica Plant, of which (a) HK\$156.5 million will be used for the construction of various building and facilities for our Luzhai Synthetic Mica Plan and (b) HK\$143.3 million will be used for the purchase and installation of*

60 synthetic mica melting furnaces and the intelligent control system;

- *approximately HK\$62.4 million, representing approximately 7.1% of the Net Proceeds, will be used to increase our investment in research and development facilities and testing equipment of our research and development centre; and*
- *approximately HK\$28.0 million, representing approximately 3.2% of the Net Proceeds, will be used for sales and marketing activities and building sales network to enhance our brand recognition in the PRC and overseas.*
- *the market capitalisation of the Shares will be reduced to approximately HK\$3,778.8 million.'*

The History Of Global New Material International Holdings Ltd

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