

About the directional recycling of 10,000 tons of nickel products signed with Yiwei Lithium Energy

Announcement of the Memorandum of Cooperation

The company and all members of the board of directors guarantee that the information disclosed is true, accurate and complete, and that there are no false records, misleading statements or major omissions.

Special Note:

The memorandum signed this time belongs to the framework, intention and preliminary agreement of the willingness and basic principles of further cooperation between the two parties. It is affected by factors such as the specific implementation progress, and there are still uncertainties. Investors are advised to make decisions with caution and pay attention to investment risks.

I. Overview

With the rapid development of the global new energy industry, focusing on the market driving force of "carbon peaking and carbon neutrality" and practicing the concept of "ecological priority and green development", we will continue to create "clean, efficient, green, circular, and low-carbon" Leading corporate image, and jointly enhance the industry of GEM Co., Ltd. (hereinafter referred to as "Company", "GEM" or "Party B") and Huizhou Yiwei Lithium Energy Co., Ltd. (hereinafter referred to as "Evil Lithium Energy" or "Party A") Influence, based on the value reuse of nickel metal after the full life cycle of power battery recycling, both parties reached an agreement and signed the "10,000 tons of recycled nickel products directional recycling cooperation memorandum" on August 9, 2021. According to the memorandum, Party A will supply the scrapped nickel-containing power batteries and battery waste to Party B, and Party B will supply Party A with recycled nickel products. Party B promises to supply Party A with more than 10,000 tons of recycled

nickel per year within ten years from 2024. Products (including nickel sulfate, ternary precursors and ternary materials and other nickel products), build a power battery full life cycle value chain of "power battery recycling - battery raw material recycling - battery material recycling - power battery recycling" and global green nickel products Supply chain, promote low-carbon emission standards of power batteries, and realize the coordinated development of economic and social benefits.

According to the "Articles of Association" and other relevant regulations, the memorandum signed by the company this time does not need to be submitted to the board of directors and the general meeting of shareholders for consideration and approval. The signing of the memorandum does not constitute a related party transaction, nor does it constitute a major asset reorganization as stipulated in the "Administrative Measures for Major Asset Restructuring of Listed Companies", which does not require approval from relevant departments. The company will perform its information disclosure obligations in a timely manner based on subsequent actual progress.

II. Introduction of partners

Company Name: Huizhou Yiwei Lithium Energy Co., Ltd.

Legal representative: Liu Jincheng

Registered capital: RMB 1,888,460,679

Date of establishment: December 24, 2001

Registered address: No. 38, Huifeng 7th Road, Zhongkai High-tech Zone, Huizhou City

Business scope: research and development, production, sales: lithium primary batteries, lithium secondary batteries, lithium polymer batteries, lithium ion batteries, lithium batteries (packs), lithium ion battery packs, nickel-metal hydride batteries, nickel-cadmium batteries, alkaline batteries, Zinc-manganese batteries, power battery systems and battery management systems, lithium battery energy storage systems, battery materials, nano-new materials, semi-finished products of water meters, gas meters, and electricity meters and their accessories manufacturing, research and development of power distribution switch control equipment, electronic components and electromechanical Component equipment manufacturing, electronic components and electromechanical component equipment sales, technology research and development, development and transfer, import and export of goods, house leasing,

processing services, equipment leasing, property management, contract energy management, lithium battery-related technical consulting services, battery-related Maintenance service. (Projects subject to approval according to law can only carry out business activities after approval by relevant departments)

Yiwei Lithium Energy has no associated relationship with the company and its controlling shareholders, actual controllers, directors, supervisors and senior managers.

Yiwei Lithium Energy has a good operating and financial status, and has a good reputation and contract performance capability. After inquiry, Yiwei Lithium Energy is not a dishonest person subject to execution

III.The core content of the memorandum

1. Form of cooperation

As long-term business partners, the two parties continue to expand in-depth cooperation in the field of battery recycling. Party B shall handle the recycled materials in strict accordance with national laws and regulations and relevant local department regulations to ensure the environmental compliance of the entire recycling process. Party B promises to give priority to the use of its recycled nickel products (including nickel sulfate, ternary precursors and ternary materials and other nickel products) to ensure the use of Party A.

Party A supplies scrap nickel-containing power batteries and battery waste to Party B, and actively demonstrates and guides the use of Party B's nickel products (including nickel sulfate, ternary precursors and ternary materials, etc.) in Party A's global industrial chain , and jointly build a global green supply chain for nickel products.

2. Quantity of supply

From 2024, Party B promises to supply Party A with more than 10,000 tons of recycled nickel products per year (including nickel sulfate, ternary precursors and ternary materials and other nickel products), to ensure that Party A stock up and supply evenly on a monthly basis .

Party A promises to supply all or part of scrap nickel-containing power batteries and battery waste (that is, downstream customers have special requirements or other circumstances) to Party B, and actively demonstrates and guides Party B's nickel products (including nickel sulfate, ternary precursors and For the use of nickel

products such as ternary materials) in Party A's global industrial chain, Party B should actively cooperate with Party A's global supply chain extension demonstration and research.

3. Other agreed matters

(1) According to the needs of future development, Party A and Party B will actively study the establishment of power battery recycling and nickel resource recycling factories on a global scale to ensure the green supply demand of Party A's global industrial chain.

(2) This memorandum will take effect after both parties seal. The cooperation period extends for 10 years from the start of product supply, and the quantity can be increased and the cooperation period can be extended as needed.

IV. The impact on the company

Yiwei Lithium Energy focuses on high-end lithium battery technology and products. It is a world-renowned lithium battery manufacturer and supplier. It has many domestic and foreign high-quality customers such as Daimler, BMW, Hyundai Kia, Jaguar Land Rover, etc., showing bright development prospects. GEM is the world's core enterprise for nickel resource recovery, power battery recycling and ternary precursor material manufacturing. The company's core products, nickel chemical raw materials and high-nickel ternary precursors, represent the world's high-quality products and are the world's advanced green and low-carbon enterprises.

Under the general trend of the rapid development of new energy power ternary batteries in the direction of high nickel and low cost, the two parties will carry out the directional recycling of retired nickel power batteries and scrap nickel resources, which will become an effective way to ensure the strategic safety of nickel raw materials for both parties.

GEM is an advanced enterprise with three elements of "recycling system, cascade utilization and resource utilization" in the global power battery recycling industry chain. It can implement nationwide effective recycling, cascade utilization and complete resource utilization for power batteries, and has built a The world's advanced new energy full life cycle value chain model of "power battery recycling - cascade utilization - raw material remanufacturing - material remanufacturing - power battery pack remanufacturing" has built the world's most advanced waste battery comprehensive utilization factory, which can recycle waste power batteries " Eat dry

and squeeze clean” to realize the recycling of nickel and cobalt resources. Among the 27 companies issued by the Ministry of Industry and Information Technology that meet the "Industry Standard Conditions for Comprehensive Utilization of Waste Power Batteries for New Energy Vehicles", GEM occupies three companies, ranking first in the country.

The signing of the memorandum will help both parties to jointly build a power battery full life cycle value chain and a global green supply chain for nickel products, which is "power battery recycling-battery raw material recycling-battery material recycling-power battery recycling". The cooperation between technology and market chain realizes the directional recycling and reuse of nickel resources, promotes the low-carbon emission standard of power batteries, boosts the national carbon peaking and carbon neutralization strategy, realizes the coordinated development of economic and social benefits, and continuously consolidates the company's global presence. The core position of the new energy industry chain will enhance the company's global industry influence and further enhance the company's core competitiveness and sustainable profitability.

The signing of this memorandum has no impact on the independence of the company's business and operations, and will not have a significant impact on the company's financial status and operating results for the year. The smooth implementation of this agreement is expected to have a positive impact on the company's future business development.

V. Risk Warning

This memorandum is a framework and intentional agreement on cooperation willingness and basic principles. It is affected by factors such as the specific implementation progress and project situation, and there are uncertainties. If a formal cooperation agreement is signed between the two parties in the future, the company will perform the review in strict accordance with the requirements of laws and regulations, procedures, and fulfill the obligation of information disclosure in a timely manner. Investors are advised to make decisions with caution and pay attention to investment risks.

VI. Other relevant instructions

1. The framework agreements disclosed by the company in the last three years are as follows:

The "Memorandum of Understanding on NCA Precursor, Sulfate and Metal Powder Project Cooperation" signed by the company and South Korea's ECOPRO; Memorandum of Understanding"; the "Memorandum of Understanding (MOU) for the Supply of High Nickel Precursor Materials for Power Batteries NCM8 Series and 9 Series" signed by the company and South Korea's ECOPRO BM; The Memorandum of Understanding (MOU) related to the Investment Agreement on High Nickel Precursor Materials for Batteries; the Memorandum of Understanding (MOU) for the Supply of High Nickel Precursors (NCA&NCM) for ECOPRO&GEM Power Batteries (NCA&NCM) 2021-2023 signed between the company and South Korea's ECOPRO BM; the company and Ningde The "Investment Framework Agreement on the Construction of Power Battery Materials and Circular Economy Industrial Park and other projects" signed by the Municipal People's Government, Fu'an Municipal People's Government, and Qingtuo Group; the company's wholly-owned subsidiary Jingmen Greenmei New Materials Co., Ltd. and Yongqing Technology Co., Ltd. The "Framework Agreement on Cooperative Construction of Ternary Power Battery Materials Project" signed by Co., Ltd.;The company and its wholly-owned subsidiary Jingmen GEM New Materials Co., Ltd. and Hunan Bangpu Recycling Technology Co., Ltd., Guangdong Bangpu Recycling Technology Co., Ltd., and Foshan Sanshui Bangpu Resource Recycling Co., Ltd. signed the "Ternary Precursor Strategic Cooperation Framework" Agreement"; the "Strategic Cooperation Framework Agreement" signed by the company and Hubei Changjiang Industrial Investment Group Co., Ltd.; the company's subsidiary Jingmen GEM New Materials Co., Ltd. and Ningbo Bangpu Times New Energy Co., Ltd., Hong Kong Bangpu Recycling Technology Co., Ltd., The "Memorandum of PT. QMB NEW ENERGY MATERIALS" signed by Yongqing Technology Co., Ltd., Xinzhuan International Holdings Co., Ltd., and PT. Indonesia Morowali Industrial Park, the above agreements are all being implemented.

2. On June 7, 2021, the company disclosed the "Pre-Disclosure on the Controlling Shareholders, Persons Acting in Concert, Actual Controllers and Some Directors, Supervisors and Senior Management" on the website of cninfo.com.cn Announcement (Announcement No.: 2021-057), the controlling shareholder Shenzhen Huifengyuan Investment Co., Ltd. and the concerted action person Fengcheng Xinyuanxing New Materials Co., Ltd., the actual controllers Xu Kaihua, and Wang Min plan to conduct centralized bidding or block transactions. The reduction does not exceed 1.4763% of

the company's total shares held by the company. Supervisors of the company Mr. Zhou Bo, Ms. Wang Jian, senior executives Mr. Song Wanxiang, Mr. Ouyang Mingzhi, Mr. Lu Xijin, Mr. Zhang Aiqing, Mu Menggang Mr. intends to reduce his holdings of no more than 25% of the company's total shares through centralized bidding. The reduction plan of the above-mentioned personnel shall be carried out within 6 months after 15 trading days from the disclosure date of the pre-disclosure announcement. As of the date of this announcement, the company has not received notices from other directors, supervisors and senior executives who plan to reduce their shareholdings in the company within the next three months.

3. On July 14, 2021, the company disclosed the "Announcement on the Completion of the Implementation of the Share Reduction Plan for Some Supervisors and Senior Executives" (Announcement No.: 2021-064) on the website of www.cninfo.com.cn), as of July 13, 2021, the company's supervisors, Mr. Zhou Bo, Ms. Wang Jian, and senior management personnel, Mr. Song Wanxiang, Mr. Ouyang Mingzhi, Mr. Lu Xijin, Mr. Zhang Aiqing, and Mr. Mu Menggang's shareholding reduction plans have been disclosed in advance. Implementation is complete.

4. In the next three months, the company will not have any controlling shareholders, shareholders holding more than 5% of the shares, and the restricted shares held by directors, supervisors, and senior executives will be released from restricted sales.

VII. Documents available for inspection

The "Memorandum of Cooperation on Directed Circulation of 10,000 Tons of Recycled Nickel Products" signed by both parties.

Special announcement

Board of Directors of GEM Co., Ltd.

August 9, 2021