

GEM Co., Ltd.

About signing a contract with South Korea's ECOPRO BM to supply 650,000 tons of high nickel precursors (NCA and NCM) for power batteries in 2024-2026

Announcement of the memorandum

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:

1. The memorandum signed this time belongs to the framework, intention and preliminary agreement of the willingness and basic principles of both parties for further cooperation. 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.

2. The signing of this memorandum will not have a significant impact on the company's financial position and operating results this year.

I. Overview

On the basis of guaranteeing the signed supply of contract performance in 2021-2023, in order to ensure the implementation of the production and sales targets of GEM Co., Ltd. (hereinafter referred to as the "Company", "GEM") high-nickel precursors in 2024-2026 and the expectation of locking in orders, the company and ECOPRO BM CO., LTD. (hereinafter referred to as "ECOPRO BM"), a subsidiary of South Korea's ECOPRO Co., Ltd., has signed a contract to supply 176,000 tons of high-nickel precursors from 2021 to 2023 (see the company's announcement on April 16, 2021 in the giant The "Announcement on Signing a Memorandum of Supply of

High Nickel Precursors (NCA and NCM) for Power Batteries for 2021-2023 with South Korea's ECOPRO BM Company" (Announcement No.: 2021-033)), recently signed a memorandum of understanding (MOU) on the supply of NCA&NCM high nickel precursor materials for power batteries from 2024 to 2026. According to the memorandum, the company will supply a total of 650,000 tons of NCA&NCM high nickel ternary precursor materials to ECOPRO BM from 2024 to 2026.

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 stipulated in the "Administrative Measures for Major Asset Restructuring of Listed Companies", which does not require approval from relevant departments.

II. Introduction of partners

ECOPRO BM is a subsidiary of Korea ECOPRO Co., Ltd. (hereinafter referred to as "ECOPRO"). ECOPRO is a company established and existing under the laws of the Republic of Korea. Its main products are power battery cathode materials such as NCA and NCM. At present, it is the world's core manufacturer of high-nickel ternary cathode materials for new energy power batteries.

ECOPRO BM has no associated relationship with the company and its controlling shareholders, actual controllers, directors, supervisors, and senior managers.

ECOPRO BM has good operating and financial status, and has good reputation and contract performance capabilities.

III. The core content of the memorandum

1. Target: high nickel ternary precursors (NCA & NCM) for new energy power batteries.

2. Supply quantity: From 2024 to 2026, the total amount is 650,000 tons. Among them, 150,000 tons in 2024, 250,000 tons in 2025, and 250,000 tons in 2026 will maintain growth on the basis of ensuring the previous year's 250,000 tons, which is subject to the follow-up purchase contract.

3. Pricing method: Based on LME and MB prices, the pricing model for the second half of the year is determined in June and December each year, and the final

contract shall prevail.

IV. The impact on the company

ECOPRO is a global manufacturer of high-nickel ternary cathode materials for core new energy power, and a core supplier of SAMSUNG SDI and SK. The signing of the supply memorandum of 650,000 tons of NCM and NCA high-nickel ternary precursor materials from 2024 to 2026 this time, and the international mainstream market orders and sales performance expectations of high-nickel ternary precursors from 2024 to 2026 are locked in advance. BM has signed another major strategic cooperation in April 2021 after signing the memorandum of supply of NCA&NCM high-nickel ternary precursors with a total supply of not less than 176,000 tons in 2021-2023, which will not only effectively promote the company's NCM and NCA high-nickel ternary precursors. The large-scale expansion of the manufacturing capacity of precursor materials provides a strong international market guarantee for the implementation of the company's ternary precursor product production and sales of 400,000 tons in 2025, and further lays the company's core in the global market for high-nickel ternary precursor materials. position, greatly increase the global market share of the company and both NCM high nickel and NCA ternary materials, and help the company to build the world's core manufacturing base for power battery raw materials and high nickel ternary precursor materials Laying a solid foundation for the achievement of high performance growth during the "14th Five-Year Plan" period; and it marks that the company's latest generation of high-nickel precursor materials for power batteries has fully occupied the international mainstream market, further demonstrating the company's high-nickel NCM and NCA precursors for new energy power batteries. The technical status and quality brand status of materials have a positive role in promoting the company's high-nickel precursor materials to fully participate in the international mainstream market competition and further expanding the international new energy high-end power battery market, which is conducive to improving the company's power battery material business profitability. and global core competitiveness. It will help the company to build a world-class low-carbon industry, take the lead in implementing carbon neutrality in 2030, and promote the smooth realization of the national dual-carbon strategy.

The signing of this memorandum will not have any impact on the independence of the company's business and operations, nor will it have a significant impact on the

company's financial status and operating results this year. have a positive impact.

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 the two parties have signed a formal cooperation agreement, the company will strictly follow the laws and regulations. , 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"; "Memorandum of Understanding (MOU) for the Supply of NCM8 Series and 9 Series Power Battery High Nickel Precursor Materials" signed by the company and South Korea's ECOPRO BM; Fuan Qingmei Energy Materials Co., Ltd., a subsidiary of the company, signed the Memorandum of Understanding (MOU) related to the investment agreement on high-nickel precursor materials for power batteries with South Korea's ECOPRO; (NCA&NCM) 2021-2023 Memorandum of Supply (MOU)"; the company's subsidiaries Jingmen GEM New Materials Co., Ltd. and Ningbo Bangpu Times New Energy Co., Ltd., Hong Kong Bangpu Recycling Technology Co., Ltd., Yongqing Technology Co., Ltd., "The Memorandum of PT. QMB NEW ENERGY MATERIALS" signed by Xinzhan International Holdings Co., Ltd. and PT. Indonesia Morowali Industrial Park; Investment Framework Agreement for Circular Economy Industrial Park and other projects; the "Framework Agreement on Cooperative Construction of Ternary Power Battery Materials Project" signed by Jingmen GEM New Materials Co., Ltd., a wholly-owned subsidiary of the company, and Yongqing Technology 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"; "10,000 Tons of Recycled Nickel Products Directed Circulation Cooperation Memorandum" signed by the company and Huizhou Yiwei Lithium Energy Co., Ltd.; "About the Construction of Waste Power Batteries and Battery Waste Green The Strategic Cooperation Framework Agreement for Handling the Industrial Chain", 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., and the actual controllers Mr. Xu Kaihua and Ms. Wang Min plan to conduct centralized bidding or block transactions. The way of reducing its holdings 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, Mr. Mu Meng Gang 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 any notice 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. On September 17, 2021, the company disclosed the "Announcement on the Progress of the Controlling Shareholders, Persons Acting in Concert, and Actual Controllers on the Plan to Reduce More Than Half of the Shares" (www.cninfo.com.cn). Announcement No.: 2021-087), the company's controlling shareholder Shenzhen Huifengyuan Investment Co., Ltd. and the concerted action person Fengcheng Xinyuanxing New Materials Co., Ltd., the actual controller Mr. Xu Kaihua and Ms. Wang Min pre-disclosed shareholding reduction plan The number is over half.

5. In the next three months, if the company's controlling shareholder, shareholders holding more than 5% of the shares, directors, supervisors and senior managers have any changes in their shares, the company will strictly perform the obligation of information disclosure in accordance with regulations.

VII. Documents available for inspection

"ECOPRO BM & GEM High Nickel Precursors for Power Batteries (NCA&NCM) 2024-2026 Memorandum of Supply (MOU)" signed by both parties.

Special announcement

Board of Directors of GEM Co., Ltd.

October 10, 2021