

GEM CO., LTD.

Announcement on the company's no participation in nickel futures trading and its operations not affected by the nickel futures event

The Company and all members of the Board of Directors guarantee that the contents of the information disclosed are true, accurate and complete, with no false records, misleading statements or material omissions.

GEM CO., LTD.(hereinafter referred to as "GEM" or the "The Company") for not being involved in nickel futures trading and operations not affected by nickel futures events: 1. GEM never participated in nickel futures operations, the current nickel futures holdings are zero, the nickel futures event has nothing to do with GEM, The company's production and operation and operating performance are not affected by the nickel futures event; 2. The export of ternary precursor accounted for more than 60%, with the average monthly price as the valuation criterion, the short-term nickel plunge does not affect the GEM trading pricing system, does not have a material impact on the operation of GEM; At present, the company's ternary precursor monthly shipments are nearly 10,000 tons, in 2022, the company's ternary precursor orders are more than 200,000 tons. The company's production capacity has the ability to pay orders, the company will do its best to complete the 2022 market delivery. 3,The construction and operation of the GEM Indonesia Nickel Resource project is not affected by the nickel futures event.GEM holds 72% of the equity of nickel resources project, other shareholders Of Indonesia economic and trade cooperation Zone Qingshan Park Development Co., Ltd. shares 10%, BRUNP (CHINA) Recycling Technology Co., Limited shares 10%, and HANWA CO.,LTD.share 8%.GEM has the actual operation and management right of the Indonesia nickel resource project, and the actions of other shareholders will not substantially affect the operation of

the Indonesia nickel resource project. All the procedures of the Indonesia nickel resource project were approved by the Indonesia Government, the current construction is progressing smoothly, plan to run before June this year; 4. The raw ore source of the company's Indonesia nickel resource project has been locked, the laterite nickel ore used is 1.0~1.2% nickel, will not compete with raw ore containing more than 1.5% nickel required by pyrosmelting, all mine enterprises in Indonesia can be suppliers of GEM Nickel Resource Indonesia, reasonably priced and independent on any mine enterprise, The Indonesia nickel resource project adopts wet high pressure leaching process, the expected smelting cost will be \$11,000/ton; 5. GEM resolutely increase the construction of nickel resource recovery and power battery recycling system, to guarantee the strategic needs of nickel resources through urban mine resources, the self-sufficiency rate is expected to reach over 40% in 2022, the self-sufficiency rate is above 70% in 2025, and 100% full self-sufficiency by 2027; 6. GEM will closely monitor the nickel market trend, resolutely refrain from speculation, promote sound operation, to protect the core interests of investors.

GEM did not participate in nickel futures trading, and its production and operating performance was not affected by the nickel futures event.

Please the general investors rational investment, pay attention to investment risks.

Hereby announcement

Board of Directors of GEM Co., Ltd

March 9,2022