

GEM Co., Ltd.

Announcement Of Signed Strategic Cooperation Agreement On Green Recycling Of Power Batteries With REPT BATTERO Energy Co., Ltd. Announcement Of Signed Strategic Cooperation Agreement On Green Recycling Of Power Batteries With REPT BATTERO Energy Co., Ltd.

GEM and all members of GEM's Board of Directors confirm that all information disclosed herein is true, accurate, and complete, with no false or misleading statements or material omissions.

Special Notes:

1. The Strategic Cooperation Agreement is a framework agreement based on the willingness between parties and basic principles. There are still uncertainties during implementation process. The board of directors of GEM will actively pay attention and fulfill the obligation of information disclosure in time. Investors are advised to make decisions with caution and pay attention to investment risks.

2. The signed Strategic Cooperation Agreement will not have a significant impact on the company's financial performance and operating achievement this year.

1. Project background and basic situation

In recent years, with the rapid development of new energy vehicles, the demand for power batteries has increased rapidly, and the environmental friendly treatment of power batteries and their waste has become a widespread concern of the society. In order to meet the requirements of the global green supply chain, solve the pollution problem of power batteries, and promote the new energy industry from "green to green", GEM Co., Ltd. (hereinafter referred to as "GEM", "Company" or "Party B"), REPT BATTERO Energy Co., Ltd. (hereinafter referred to as "REPT" or "Party A") decided to combine the advantages of both parties and jointly sign the *Strategic Cooperation Framework Agreement on Green Recycling of Power Batteries* on July

24, 2022 (hereinafter referred to as the "Strategic Cooperation Agreement"), it is planned to jointly build a full life cycle value chain system for the recovering, recycling and remanufacturing of used power batteries and their wastes on a global scale, and form a complete green industrial chain of recycling of power batteries and their wastes, nickel-cobalt-lithium resources, ternary precursor materials remanufacturing, and cascade utilization of power batteries. This can fundamentally eliminate the pollution of power batteries to society, completely recover nickel-cobalt-lithium and other valuable resources, and realize the transition from green scrap end to green product end, exploring a model for the green development of the global new energy industry.

According to the *Articles of Association* and other relevant regulations, the *Strategic Cooperation Agreement* signed 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 Strategic Cooperation Agreement this time does not constitute a connected 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. The company will perform its information disclosure obligations in time based on subsequent actual progress.

2. Introduction of the partner

Company name: REPT BATTERO Energy Co., Ltd.

Legal representative: Cao Hui

Registered capital: RMB 176,387.6299

Date of establishment: October 25, 2017

Registered address: Room A205, Building C, No. 205, Binhai 6th Road, Konggang New District, Longwan District, Wenzhou City, Zhejiang Province

Business scope: R&D, design, manufacturing, technical consultation, technology transfer, sales and after-sales service of energy electronic components of lithium ion batteries, lithium polymer batteries, fuel cells, battery packs, battery management systems, power battery systems, large-capacity energy storage systems, wind and photovoltaic energy storage systems, instrumentation, capacitors, chargers, charging piles, storage; R&D, production, sales and after-sales service of new energy materials. Technology transfer and technical services of new energy; vehicle leasing, real estate

leasing, equipment leasing; sales of metal materials; engineering and technical consulting, business management consulting services; Import and export of goods, and technology. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments)

REPT has no associated relationship with GEM and its controlling shareholders, actual controllers, directors, supervisors and senior managers.

REPT has good operating and financial status, a good reputation and contract performance ability. Upon inquiry, REPT is not a dishonest person subject to enforcement.

3. The major content of the cooperation agreement

(1) Cooperation content

The "used power batteries and wastes" mentioned in the following contract terms refer to worldwide decommissioned, discarded electric vehicle batteries and unqualified electric vehicle batteries during production (including nickel-cobalt-manganese/aluminum ternary, lithium iron phosphate and lithium cobalt oxide, and excluding lead-acid battery), and other battery wastes such as batteries and waste pole pieces scrapped due to other reasons.

During the term of the agreement, Party B will supply 30,000 tons of lithium iron phosphate or ternary cathode material to Party A through directional circulation. During the term of the agreement, Party A will cooperate to supply Party B with a business volume of 5GWh of finished power battery products. The two parties jointly build a directional circulation model for materials and batteries, and build a green and carbon-reducing new energy life cycle value chain

① On a global scale, the decommissioned/used power batteries and waste generated by Party A's global supply chain shall be delivered to Party B in priority for disposal according to market prices.

In accordance with the requirements of global green supply chain management, and following the principles of traceable, trackable, and controllable, in order to implement the whole process information management of used power batteries, and realize the safe recovery, storage and green disposal of power batteries, the two parties should cooperate with each other to build a green management system for the whole life cycle of power batteries, form a world-class model of green recycling and utilization of power batteries, and jointly meet the requirements of global new energy

green management.

② Both parties shall discuss the directional recycling cooperation model of "waste for raw materials", which means, Party A will deliver used batteries and battery wastes to Party B, and Party B will use green recycling technology to extract nickel, cobalt, manganese, lithium and other metals in used batteries and wastes delivered by Party A and produce battery-grade nickel, cobalt, manganese sulfate, lithium salt or lithium iron phosphate cathode materials, ternary precursors or cathode materials, which are given priority to Party A if the quality and price meet the Party A's requirements.

③ Both parties negotiate and maintain deep communication and mutual trust in the development of lithium battery application scenarios. Under the same conditions, Party B shall give priority to purchasing the cells, modules or standard boxes of Party A; Under the same conditions, Party A shall give priority to supplying the cells, modules or standard boxes of Party B.

④ When Party A is connecting with the customers of the OEM, Party B can provide support for recycling and comprehensive utilization for Party A and the target customers, so as to facilitate the development of the customers of Party A. For the battery packs sold by Party A, Party A can rely on Party B's industrial parks and recycling outlets across the country as spare parts and parts warehouses, at the same time, the secondary after-sales service (the maintenance of the battery pack to be returned to the factory) can be undertaken by Party B who should do a good job in after-sales service.

⑤ The two sides agree to rely on each other's innovation platforms to carry out research on innovative projects such as used power battery recycling, lithium salt or lithium iron phosphate cathode materials, ternary precursors and ternary materials, and make use of each other's advantages to jointly build innovative platforms and jointly strive for and carry out national, provincial and municipal innovation and entrepreneurship projects, jointly explore the recycling mode of retired power batteries on a global scale, and jointly promote the technological progress of lithium iron phosphate, ternary precursors and ternary materials.

⑥ Both parties agree to further deepen cooperation, actively explore strategic cooperation in recycling system, technology system, capital system, material supply and resource combination, so as to jointly cope with the challenges of global new energy on cost, resources and capital, and jointly create a globally competitive supply chain and value chain.

⑦ Both parties recognize each other as strategic partners on a global scale, and actively promote each other to jointly build a good brand and reputation worldwide for both parties.

⑧ This *Strategic Cooperation Agreement* is a framework agreement. Except for the provisions of Articles 4 to 7, other contents are not legally binding on both parties. For the specific cooperation under this *Strategic Cooperation Agreement*, the two parties shall sign the corresponding cooperation agreement and other relevant agreements after negotiating separately according to the actual situation of the specific project and relevant laws and regulations.

(2) Confidentiality

① Both parties guarantee to keep confidential the documents and materials (including but not limited to trade secrets, company plans, operating activities, financial information, business information, technical information, process equipment parameters, quantity, price, drawings, customer information and other trade secrets) that have not been released by the other party through public channels during the discussion, signing and implementation of this *Strategic Cooperation Agreement*. The provision of confidential information by the disclosing party to the receiving party does not mean that the disclosing party transfers, assigns or grants confidential information to the receiving party, and the confidential information and the intellectual property rights contained in the confidential information and the benefits that can or may arise therefrom belong to the disclosing party. Without the consent of the original provider of the information and documents, the other party shall not disclose the whole or part of the trade secret to any other party.

②The confidentiality obligation under this *Strategic Cooperation Agreement* shall not be relieved due to the termination of this *Strategic Cooperation Agreement*. For the confidential information disclosed by the disclosing party under this *Strategic Cooperation Agreement*, only after the receiving party obtains the written exemption document of exempting it from the obligation to keep confidential the confidential information from the disclosing party, or the confidential information has in fact entered the public domain through legal channels without infringement or breach of contract by any receiving party, the

receiving party can be exempted from the confidentiality obligations of confidential information in accordance with this *Strategic Cooperation Agreement*. Otherwise, such confidentiality obligations will continue for a long time.

(3) Term of cooperation and renewal of agreement

This *Strategic Cooperation Agreement* shall take effect after being signed and sealed by the legal representatives or their authorized representatives of both parties, and shall be valid for five years. During the term of validity, this *Strategic Cooperation Agreement* will be terminated after the expiration of the term of validity if Party A and Party B fail to reach an agreement on specific cooperation. After the expiration of the agreement, a renewal agreement can be signed with the consent of both parties if Party A and Party B are satisfied with the cooperation between them. The termination of this *Strategic Cooperation Agreement* will not affect the effectiveness and performance of the agreement on specific projects that have been carried out by both parties before the termination.

4. Impact on the company

REPT is the first enterprise involving in the field of new energy of Tsingshan Holding Group Co., Ltd.(abbreviated as Tsingshan), one of the world's top 500 enterprises. Tsingshan is the world's largest company of stainless steel products and the core owner of nickel resources in the world. REPT was founded in 2017, mainly engaged in the R & D, production and sales of power / energy storage lithium-ion battery cells and system applications, focusing on providing high-quality solutions for new energy vehicle power and smart electric energy storage. GEM was established based on the ideal of "Green Ecological Manufacturing", and took the lead in putting forward the green low-carbon industry concept of "limited resources and unlimited recycling" in China, actively advocating the business model of resource recycling to "eliminate pollution and recycle resources" and promote the development of a recycling society. GEM has built 16 waste recycling parks in 11 provinces and cities in China to lay out the global green industry landscape, recycle used power

batteries, e-waste, scrapped cars and strategic resources of nickel-cobalt-lithium-tungsten, and manufacture high-tech green products of new energy materials. GEM has built five power battery recycling and disposal bases in Wuhan, Jingmen, Wuxi, Tianjin, Shenzhen and Shantou, forming a power battery recycling system covering the Yangtze River Delta, Pearl River Delta, central China, Beijing-Tianjin-Hebei and other core regions of China. Three of its enterprises have been listed in the announcement of the Ministry of Industry and Information Technology on *Industrial Standard Conditions for The Comprehensive Utilization of Used Power Batteries for New Energy Vehicles*. GEM also plans to lay out used power battery recycling and treatment bases in Europe, North America and Southeast Asia.

The signing of the *Strategic Cooperation Agreement* between GEM and REPT is conducive to combining the advantages of both sides. Through the establishment of a directional recycling and in-depth cooperation relationship between power battery recycling and nickel-cobalt and other resources, GEM will build a new energy life cycle value chain of green carbon reduction, and form a green industrial chain of completely recycling power batteries and their wastes, recycling nickel-cobalt-lithium resource, recycling ternary material and cascade utilization of power batteries. This will fundamentally eliminate the pollution of power batteries to society, completely recover valuable resources such as nickel, cobalt and lithium, realize the transformation from green scrap end to green product end, and explore a model of green development of the global new energy industry. To jointly build a globally competitive green supply chain and value chain and realize the coordinated development of economic benefits and environmental benefits is in line with the strategic development interests of both sides and the interests of investors.

The signing of this *Strategic Cooperation Agreement* has no impact on the independence of the company's business and operation, and will not have a significant impact on the company's financial situation and operating results this year. The smooth implementation of this *Strategic Cooperation Agreement* is expected to have a positive impact on the company's future business development.

5. Risk tips

This *Strategic Cooperation Agreement* is a framework and intentionality agreement of cooperation willingness and basic principles, and there is still uncertainty subject to the impact of relevant policy adjustment, macroeconomic impact, market environment changes and other factors. If a formal cooperation agreement is signed between the two parties, GEM will perform the review procedure in strict accordance with the requirements of laws and regulations, and timely fulfill the obligation of information disclosure. Investors are kindly requested to make prudent decisions and pay attention to investment risks.

6. Other relevant instructions

(1) Framework agreements disclosed by GEM in the past three years are as follows:

Memorandum Of Understanding On The Promotion Of The New Energy Vehicle Battery Cascade Utilization And Recycling Project signed by GEM with the Pohang municipal government of South Korea and ECOPRO; *Memorandum Of Supply (Mou) Of Ncm8 Series And 9 Series High Nickel Precursor Materials For Power Batteries* signed by GEM and ECOPRO BM of South Korea; *Memorandum Of Understanding (Mou) Related To The Investment Agreement On High Nickel Precursor Materials For Power Batteries* signed by GEM's subsidiary Fu'an Qingmei Energy Materials Co., Ltd. and South Korea ECOPRO; *Memorandum Of Supply (Mou) 2021-2023 For High Nickel Precursors (Nca&Ncm) For Ecopro&Gem Power Batteries* signed by GEM and ECOPRO BM of South Korea; *Ternary Precursor Strategic Cooperation Framework Agreement* signed by GEM and its wholly-owned subsidiary Jingmen GEM new materials Co., Ltd. with Hunan Brunp Recycling Technology Co., Ltd., Guangdong Brunp Recycling Technology Co., Ltd. and Foshan Sanshui Brunp Resource Recycling Co., Ltd; *The Memorandum Of Cooperation On Directional Recycling Of 10000 Tons Of Recycled Nickel Products* signed by GEM with Huizhou Yiwei lithium energy Co., Ltd; *The Strategic Cooperation Framework Agreement On The Construction Of Waste Power Batteries And Battery Waste Green Treatment Industrial Chain* signed by GEM with Funeng Technology

(Ganzhou) Co., Ltd; *The Framework Agreement On The Strategic Supply And Cooperation Of Ternary Precursors And Cobalt Tetroxide Between Xiamen Tungsten New Energy Materials Co., Ltd. And Jingmen GEM New Materials Co., Ltd.* Signed by Jingmen GEM new materials Co., Ltd., a subsidiary of GEM, with Xiamen tungsten new energy materials Co., Ltd; *The Strategic Cooperation Framework Agreement On The Integration Of Phosphorus Resources, Chemical Industry And New Energy Materials Industry Chain* signed by GEM with Xinyangfeng Agricultural Technology Co., Ltd; *The Strategic Cooperation Agreement Between Ronbay Technology And GEM* signed by GEM with Ningbo rongbai New Energy Technology Co., Ltd; *Memorandum Of Cooperation On The Production Of High Nickel Precursors For New Energy Vehicles And The Recycling Of Scrap Power Batteries* signed by GEM with the Hungarian Consulate General in Shanghai; *New Generation Ternary Precursor Product Cooperation And Development Agreement"* signed by GEM with Xiamen Tungsten New Energy Materials Co., Ltd.. The above agreements are being fulfilled.

The Memorandum Of PT. QMB New Energy Materials signed by GEM's subsidiaries Jingmen GEM new materials Co., Ltd. with Ningbo Brunp Times New Energy Co., Ltd., Hong Kong Brunp Recycling Technology Co., Ltd., Yongqing Technology Co., Ltd., Xinzhan International Holdings Co., Ltd. and PT Indonesia Morowali Industrial Park has been fulfilled.

The 2024-2026 Memorandum Of Understanding (Mou) On The Supply Of High Nickel Precursors For Ecopro Bm & Gem Power Batteries (Nca&Ncm) signed by GEM and ECOPRO BM of South Korea has been terminated, *The Memorandum Of Understanding (MOU) On The Medium And Long Term Supply Agreement Of High Nickel Precursors For Power Batteries (MOU)* will be implemented subsequently.

(2) On March 25th, 2022, the company disclosed *The Announcement On The Completion Of The Implementation Of The Plan Of Increasing The Shareholding Of Some Senior Managers Of The Company* (Announcement No.: 2022-030) on www.cninfo.com.cn. As of March 25th, 2022, Mr. Mu Menggang, deputy general manager, general financial supervisor and acting secretary of the board of directors, Mr. Jiang Miao, Mr. Lou Huiyou, Mr. Jiao Hua, deputy

general managers, increased his holdings of 580500 shares of the company through centralized bidding, with a cumulative increase of 5.093141 million yuan through the trading system of Shenzhen Stock Exchange. As of the date of this announcement, GEM has not received any notice from the controlling shareholders, shareholders holding more than 5% shares, and the directors, supervisors and senior executives that they plan to reduce their holdings of the company's shares in the next three months. In the next three months, In the next three months, there is no situation that the restricted shares held by the controlling shareholder, shareholders holding more than 5% shares and Dong Jiangaogao will be lifted.

7. Reference documents

The Strategic Cooperation Framework Agreement Between REPT And GEM on Green Recycling of Power Batteries signed by both parties.

It is hereby announced

Board of directors of GEM Co., Ltd

July 24, 2002