

GEM Co., Ltd.

Announcement on fire in partial auxiliary workshops of one subsidiary

The Company and all members of the Board of Directors guarantee that the information disclosed is accurate, authentic, and complete without false records, misleading statements, or material omissions.

Note: The time mentioned below all refer to Beijing Time (UTC+8)

The auxiliary workshops recovering and purifying manganese and copper in GEM (Jiangsu) Cobalt Industry Co., Ltd., a subsidiary of GEM Co., Ltd. (hereinafter referred to as "GEM" or the "Company"), caught fire at around 12 o'clock on January 7, 2023. The local fire emergency department quickly arrived at the site to carry out the rescue and put out the fire. At the same time, the Company immediately launched the emergency plan, established an on-site emergency leadership team, and cooperated with the local fire emergency department to extinguish the fire. With the help of the local fire emergency department, the fire was extinguished later on the same day. The cause of the accident is under investigation.

There is no casualty during the fire. According to on-site environmental monitoring, atmospheric indicators are within the normal range. The Company has properly disposed of the flammable substances to ensure that there will be no secondary pollution. The core process of manufacturing cobalt products, the leading product of the GEM (Jiangsu) Cobalt Industry Co., Ltd., was not affected, nor was other core equipment in the park. The production and operation of other subsidiaries of the Company are normal. The Company has insured the equipment and has reported the case to the insurance company, and the loss verification work is processing with steady steps. The fire has limited impact on the Company's current operation and performance, and the specific losses are under investigation.

The Company will seriously learn from the fire accident, put safety production in the first place, and further strengthen the safety management of the Company and its

subsidiaries. After the fire, the Company immediately carried out a large-scale safety rectification for the whole Company and its subsidiaries in order to eliminate safety hazards. Furthermore, we make the determination to prevent similar accidents from happening again, and protect the employees' safety and ensure the global investors' rights. GEM (Jiangsu) Cobalt Co., Ltd. will seriously accept the rectification under the leadership of the local safety supervision department and fire department, complete the rectification quickly, and resume production as soon as possible. At the same time, the Company will make great efforts to implement the upgrading of GEM (Jiangsu) Cobalt Co., Ltd. Park, eliminate outdated technology, implement green intelligence and high-quality development, and unswervingly build a global ESG factory under the guidance of ESG values.

In 2022, the Company has achieved historical and brilliant development, with sales and performance hitting record highs, and on the way of new era of "great release of production capacity and great growth in performance". In 2023, the company will continue the general trend of high-speed growth, and the dual-track business of "new energy material manufacturing and urban mining" is under good momentum. The main business plans are: the Indonesian Nickel Resource Project plans to produce MHP containing 25,000 tons of nickel metal, the first shipment of MHP containing 1,200 tons of nickel metal is scheduled before Jan 15, and it's planned to ship MHP containing 5,000 tons of nickel metal for the first quarter of 2023; It's planned to sell ternary precursors more than 200,000 tons, tricobalt tetroxide more than 15,000 tons, and power battery recycling business more than 2 billion RMB. At the same time, the Company will fully promote the industrialization of sodium electric materials, and make every effort to speed up the construction of the second phase of the Indonesian Nickel Resource Project.

The Company will perform its information disclosure obligations timely according to the progress of the accident investigation, and investors are reminded to pay attention to investment risks.

The announcement is hereby given.

Board of directors of GEM Co., Ltd.

January 08, 2023