

## **GEM Co., Ltd.**

### **Announcement on Resolutions of 4th Extraordinary General Meeting of 2022**

**The Company and all members of the Board of Directors promise that the information disclosed is authentic, accurate and complete, and there are no false records, misleading statements or material omissions.**

#### **Note:**

1. There was no rejection of proposals at the General Meeting.
2. The General Meeting did not involve any change to the resolutions approved at previous General Meetings.
3. The General Meeting adopted a combination of on-site voting and online voting.

#### **I. Convening and Attendance**

##### 1. Convening

(1) Convener: Board of Directors

(2) Date and time:

Time of the on-site meeting: At 10:00 am on 30 AUG 2022.

Time of online voting: 30 AUG 2022. In particular, online voting via the Shenzhen Stock Exchange Trading System is from 9:15 to 9:25, 9:30 to 11:30, and 13:00 to 15:00 on 30 AUG 2022; online voting via the Internet of the Shenzhen Stock Exchange is from 9:15 to 15:00 on 30 AUG 2022.

(3) Chair: Ms. Wang Min

As Chairman Mr. Xu Kaihua was unable to chair the General Meeting due to work reasons, in accordance with the *Articles of Association*, the General Meeting was chaired by Director Ms. Wang Min as jointly elected by more than half of the Board of Directors of the Company.

(4) Venue of the on-site meeting: Meeting room of the Company (20/F, Block A, Rongchao Binhai Building, Haixiu Road, Baoan District, Shenzhen).

(5) Convening method: A combination of on-site convening and online voting

(6) The notice and relevant documents of the meeting were published on *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and <http://www.cninfo.com.cn> on 15 AUG 2022. The convening, holding and voting procedures of the meeting were in line with the provisions of the *Company Law*, the

*Rules for General Meetings of Listed Companies, the Stock Listing Rules of Shenzhen Stock Exchange and the Articles of Association of the Company and other laws, regulations and regulatory documents.*

## 2. Attendance

85 shareholders made on-site and online voting, representing 612,743,530 shares or 12.0967% of the total shares of the listed company. A total of 13 shareholders and shareholder representatives attended the on-site meeting, representing 463,208,604 shares or 9.1446% of the total shares of the listed company; 72 shareholders made online voting, representing 149,534,926 shares, or 2.9521% of the total shares of the listed company. A total of 75 minority shareholders and proxies authorized by shareholders attended the on-site meeting and the online voting, representing 149,537,026 shares, or 2.9521% of the total shares of the Company. In particular, 3 minority shareholders made on-site voting, representing 2,100 shares, or 0.0000% of the total shares of the listed company. 72 minority shareholders made online voting, representing 149,534,926 shares, or 2.9521% of the total shares of the listed company. The holders of overseas listed global depository receipts (hereinafter referred to as "GDRs") appointed a proxy to attend the General Meeting, representing 3,250,000 shares, or 0.0642% of the total shares of the listed company.

3. Some of the directors, some of the supervisors and the Board Secretary of the Company attended the General Meeting, and some officers and witness lawyers attended the on-site meeting.

## **II. Proposal Deliberation and Voting**

The following proposals were deliberated and approved at the meeting through on-site secret ballots and online voting.

1. Deliberated and approved the *Proposal on Adjusting the Forecast Amount of Routine Related Party Transactions with Related Parties for 2022*;

Voting result: 608,983,547 shares voted for the proposal, representing 99.3864% of the shares held by all shareholders present at the meeting; 450,783 shares voted against the proposal, representing 0.0736% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.5401% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 149,027,043 shares voted for the proposal, representing 99.6590% of the shares held by minority shareholders present at the meeting; 450,783 shares voted against the proposal, representing 0.3015% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares

represented by the proxy.

2. Deliberated and approved the *Proposal on the Company and Its Subordinate Company to Plan to Apply to Banks/Financial Leasing Platforms for Comprehensive Credit (Including Financial Leases) Lines*;

Voting result: 605,736,947 shares voted for the proposal, representing 98.8565% of the shares held by all shareholders present at the meeting; 3,697,383 shares voted against the proposal, representing 0.6034% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.5401% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 145,780,443 shares voted for the proposal, representing 97.4879% of the shares held by minority shareholders present at the meeting; 3,697,383 shares voted against the proposal, representing 2.4726% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares represented by the proxy.

3. Deliberated and approved the *Proposal on the Company to Provide Guarantees for the Subordinate Company in Respect of Its Proposed Application to Banks/Financial Leasing Platforms for Comprehensive Credit (Including Financial Leases) Lines*;

Voting result: 563,467,098 shares voted for the proposal, representing 91.9581% of the shares held by all shareholders present at the meeting; 45,967,232 shares voted against the proposal, representing 7.5019% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.5401% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 103,510,594 shares voted for the proposal, representing 69.2207% of the shares held by minority shareholders present at the meeting; 45,967,232 shares voted against the proposal, representing 30.7397% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares represented by the proxy.

This proposal is a special resolution matter and has been approved by 2/3 of shareholders (including proxies) with voting rights present at the General Meeting.

4. Deliberated and approved the *Proposal on Providing Guarantees for the Investee Company in Respect of Its Application for Credits and on the Related Party Transaction*;

Voting result: 563,469,898 shares voted for the proposal, representing 91.9585% of the shares held by all shareholders present at the meeting; 45,964,432 shares voted against the proposal, representing 7.5014% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.5401% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 103,513,394 shares voted for the proposal, representing 69.2226% of the shares held by minority shareholders present at the meeting; 45,964,432 shares voted against the proposal, representing 30.7378% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares represented by the proxy.

This proposal is a special resolution matter and has been approved by 2/3 of shareholders (including proxies) with voting rights present at the General Meeting.

5. Deliberated and approved the *Proposal on Adjusting the Purchase of Liability Insurances for Directors, Supervisors and Officers*;

Voting result: 148,652,093 shares voted for the proposal, representing 97.2937% of the shares held by all shareholders present at the meeting; 546,433 shares voted against the proposal, representing 0.3576% of the shares held by all shareholders present at the meeting; and 3,588,500 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 2.3487% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 148,652,093 shares voted for the proposal, representing 99.4082% of the shares held by minority shareholders present at the meeting; 546,433 shares voted against the proposal, representing 0.3654% of the shares held by minority shareholders present at the meeting; and 338,500 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.2264% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares

represented by the proxy.

Related shareholders, Shenzhen Huifengyuan Investment Co., Ltd., Fengcheng Xinyuanxing New Materials Co., Ltd., Mr. Xu Kaihua, Ms. Wang Min, Mr. Zhou Bo, Mr. Song Wanxiang, Mr. Mu Menggang, Mr. Lou Huiyou and Mr. Pan Hua, have withdrawn from the voting, representing 459,956,504 shares.

6. Deliberated and approved the *Proposal on Formulating the Investment Management System for Industrial Chain Equity (Including Securities Strategic Equity)*;

Voting result: 608,997,347 shares voted for the proposal, representing 99.3886% of the shares held by all shareholders present at the meeting; 436,983 shares voted against the proposal, representing 0.0713% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.5401% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 149,040,843 shares voted for the proposal, representing 99.6682% of the shares held by minority shareholders present at the meeting; 436,983 shares voted against the proposal, representing 0.2922% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 100% of the shares represented by the proxy.

7. Deliberated and approved the *Proposal on Revising the Management Policy on Remuneration of the Company*;

Voting result: 148,831,318 shares voted for the proposal, representing 97.4110% of the shares held by all shareholders present at the meeting; 646,508 shares voted against the proposal, representing 0.4231% of the shares held by all shareholders present at the meeting; and 3,309,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 2.1659% of the shares held by all shareholders present at the meeting.

Voting of minority shareholders: 148,831,318 shares voted for the proposal, representing 99.5281% of the shares held by minority shareholders present at the meeting; 646,508 shares voted against the proposal, representing 0.4323% of the shares held by minority shareholders present at the meeting; and 59,200 shares abstained from the vote (including 0 shares were abstained by default due to non-voting), representing 0.0396% of the shares held by minority shareholders present at the meeting.

Voting of the proxy appointed by holders of GDRs (hereafter referred to as the "proxy"): 0 shares voted for the proposal, representing 0.0000% of the shares represented by the proxy; 0 shares voted against the proposal, representing 0.0000% of the shares represented by the proxy; and 3,250,000 shares abstained from the vote (including 0

shares were abstained by default due to non-voting), representing 100% of the shares represented by the proxy.

Related shareholders, Shenzhen Huifengyuan Investment Co., Ltd., Fengcheng Xinyuanxing New Materials Co., Ltd., Mr. Xu Kaihua, Ms. Wang Min, Mr. Zhou Bo, Mr. Song Wanxiang, Mr. Mu Menggang, Mr. Lou Huiyou and Mr. Pan Hua, have withdrawn from the voting, representing 459,956,504 shares.

### **III. Legal Opinions Issued by Lawyers**

Dai Yi and Chen Xiaoxuan of Kingson Law Firm, issued a legal opinion in respect of the meeting and held that: The convening and holding procedures of the General Meeting were in line with the *Company Law*, the *Securities Law*, the *Rules for General Meetings of Listed Companies* and other laws, regulations, regulatory documents and the *Articles of Association of the Company*, the qualifications of the attendees and the convener were legal and valid, and the voting procedures and the voting results were also legal and valid.

### **IV. Reference Documents**

1. Resolution of the 4th Extraordinary General Meeting of 2022 of GEM Co., Ltd. signed by the directors present and sealed by the Board of Directors;
2. Legal Opinions issued by Kingson Law Firm.

It is hereby announced.

Board of Directors of GEM Co., Ltd.

30 August 2022