Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Hainan Drinda New Energy Technology Co., Ltd.
海南鈞達新能源科技股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02865)

INSIDE INFORMATION/OVERSEAS REGULATORY ANNOUNCEMENT ANNOUNCEMENT IN RELATION TO THE PROVISION FOR IMPAIRMENT ON ASSETS FOR THE FIRST THREE QUARTERS OF 2025

This announcement is made by Hainan Drinda New Energy Technology Co., Ltd. (the "**Company**") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In accordance with the China Accounting Standards for Business Enterprises and the Stock Listing Rules of Shenzhen Stock Exchange and other relevant regulations, to objectively and fairly reflect the assets and financial condition of the Company as of September 30, 2025, the Company conducted a comprehensive review and impairment test for all types of assets based on the principle of prudence. The total impairment provisions made for various assets in the first three quarters of 2025 amounted to RMB71.0104 million. Such impairment provisions made for assets are not required to be submitted to the board of directors or general meetings for consideration, the particulars of which are hereby announced as follows:

I. BASIS AND DETAILS FOR THE PROVISION FOR ASSET IMPAIRMENT

In accordance with relevant requirements under the China Accounting Standards for Business Enterprises No. 8 – Asset Impairment and the relevant financial accounting systems of the Company, after carrying out comprehensive investigation and analysis on indication of impairment of assets of the Company in the consolidated financial statements as of September 30, 2025, and conducting tests by types of assets, the Company made provision for impairment of assets with potential impairment losses.

(I) Scope and amount of provision for asset impairment

Unit: RMB0,000

No.	Item	Provision Amount
1	**Credit impairment loss (Loss represented in "-" signs)**	**-330.26**
	Bills receivables	-79.55
	Account receivables	-29.33
	Other receivables	-221.38
2	**Asset impairment loss (Loss represented in "-" signs)**	**-6,770.78**
	Inventories	-6,632.97
	Goodwill	-137.81
	Total	**-7,101.04**

The reporting period in which the provision for asset impairment is made is from January 1, 2025 to September 30, 2025.

(II) Details of provision for asset impairment

1. Details of impairment provision for account receivables

The Company provides impairment allowances for receivables, including bills receivables, account receivable, and other receivables according to their applicable expected credit loss measurement methods and recognizes expected credit losses on the basis of expected credit losses. The Company provides allowances for expected credit losses on an individual basis for receivables whose credit risk differs significantly from that of the portfolio. In addition to receivables assessed individually for credit risk, the Company classifies receivables into different groups based on shared risk characteristics and assesses credit risk on a portfolio basis.

In accordance with the China Accounting Standards for Business Enterprises and the relevant accounting policies of the Company, and based on the principle of prudence, the Company recorded a provision for bad debts totaling RMB3.3026 million on account receivables for the first three quarters of 2025.

2. Explanation of the Provision for Inventory Impairment

The Company's inventory primarily consists of raw materials, work-in-progress, finished goods, and goods in transit. At the end of the period, a provision for inventory write-down shall be recognized by the Company for the amount by which the cost of individual inventory item exceeds its net realizable value. For inventories held for direct sale, the net realizable value shall be determined by deducting estimated selling expenses and related taxes from the estimated selling price of the inventories in the normal course of business operations. For material inventories requiring further processing, the net realizable value shall be determined by deducting the estimated costs to complete the production process, estimated selling expenses, and related taxes from the estimated selling price of the finished products in the normal course of business operations. At the balance sheet date, for an item of inventory where a portion is subject to contractual price while the remainder is not, its net realisable value is determined and compared with its corresponding costs respectively to recognise the amount of provision, or reversal of provision, for diminution in the value of inventories.

In accordance with the China Accounting Standards for Business Enterprises and the relevant accounting policies of the Company, and based on the principle of prudence, the Company recorded a provision for inventory impairment of RMB66.3297 million for the first three quarters of 2025.

3. Explanation of Goodwill Impairment Provision

Given that goodwill cannot generate cash flow independently, an impairment test is conducted in conjunction with the related asset groups or portfolio of asset group. The related asset groups or portfolio of asset group refer to those that can benefit from synergies resulting from the merger of business.

When conducting impairment test on the related asset groups or portfolio of asset group that contain(s) goodwill, if there are indications of impairment, impairment test for the asset groups or portfolio of asset groups that do not contain goodwill will be conducted first and calculate the recoverable amount, and compare it with the related carrying amount to confirm the corresponding impairment loss. Then, the asset groups or portfolio of asset groups including goodwill are tested for impairment. Comparing the carrying amount (including the carrying amount of goodwill amortized) of the asset groups or portfolio of asset groups and their recoverable amounts, where the recoverable amount of relevant asset groups or portfolio of asset groups is lower than its carrying amount, the difference is recognized as impairment loss. In the first place, the amount of impairment loss shall be apportioned to the book value of goodwill of the corresponding asset groups or combination of asset groups. Then according to the proportion of the book value of other assets, excluding the goodwill, with respect to the corresponding asset groups or combination of asset groups, the book value of the said assets shall be deducted, and the impairment loss is recognized accordingly.

In accordance with the China Accounting Standards for Business Enterprises and the relevant accounting policies of the Company, and based on the principle of prudence, the Company provided a goodwill impairment provision of RMB1,378,100 for the first three quarters of 2025. The goodwill impairment provision of RMB1,378,100 provided for the current period was arising from the goodwill due to the recognition of deferred income tax liabilities by the Company, reflecting the impairment provision of non-core goodwill as the deferred income tax liabilities are reversed.

II. EXPLANATION OF THE REASONABLENESS OF THE PROVISION FOR ASSET IMPAIRMENT AND ITS IMPACT ON THE COMPANY

(I) Explanation of the Reasonableness

The provision for asset impairment is based on the principle of prudence, and in accordance with the China Accounting Standard for Business Enterprises and the relevant financial accounting systems of the Company, to objectively and fairly reflect the Company's financial position, asset value and operating results as of the balance sheet date. The basis and reasons for the provision for asset impairment are reasonable and sufficient, in line with the actual situation of the Company and without prejudice to the interests of the Company and shareholders.

(II) Impact on the Company

The Company made provisions for asset impairment totaling RMB71.0104 million from January to September 2025, representing a corresponding decrease in consolidated net profit of RMB60.4156 million from January to September 2025, a decrease in net profit attributable to the owners of the parent company of RMB60.4156 million from January to September 2025, and a decrease in equity attributable to the owners of the parent company of RMB60.4156 million as of September 30, 2025. The financial information related to the provision for impairment has not been audited, and the final accounting treatment shall be subject to the results recognized after the annual audit.

This announcement is published simultaneously in Chinese and English. In the event of any inconsistency between Chinese and English versions, the Chinese version shall prevail.

By order of the Board
Hainan Drinda New Energy Technology Co., Ltd.
Mr. Lu Xuyang
Chairperson of the Board and Executive Director

Haikou, the PRC
October 28, 2025

As of the date of this announcement, the board of directors of the Company comprises Mr. Lu Xuyang, Mr. Zhang Manliang and Mr. Zheng Hongwei as executive directors; Mr. Xu Xiaoping and Mr. Xu Yong as non-executive directors; Ms. Zheng Hong as employee representative director; and Dr. Shen Wenzhong, Dr. Mao Xiaoying, Mr. Ma Shuli, and Mr. Zhang Liang as independent non-executive directors.