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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

ANNOUNCEMENT ON UNRECOVERED LOSSES OF THE COMPANY AMOUNTING TO ONE-THIRD OF THE TOTAL PAID-IN SHARE CAPITAL

This announcement is made by Hainan Drinda New Energy Technology Co., Ltd. (the "**Company**") pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In the event of any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

The Company convened the ninth meeting of the fifth session of the Board of Directors on March 30, 2026, at which the Resolution on the Unrecovered Losses of the Company Amounting to One-Third of the Total Paid-in Share Capital was considered and approved. This resolution is subject to the consideration at the general meeting of the Company. The relevant details are hereby announced as follows:

I. OVERVIEW

Pursuant to the 2025 Annual Audit Report of Hainan Drinda New Energy Technology Co., Ltd. issued by ZhongHui Certified Public Accountants LLP., the undistributed profit in the consolidated statement of the Company as of December 31, 2025 was RMB-702,132,357.47, and its paid-in share capital was RMB292,584,052, indicating that the amount of unrecovered losses has reached one-third of the total paid-in share capital. In accordance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association, the matter shall be submitted to the general meeting of the Company for consideration.

II. MAIN REASONS FOR THE LOSSES

In 2025, the global PV market sustained its growth momentum, with overseas market demand particularly robust. However, the industry remained in a cycle characterized by capacity clearing and product price reduction, leading to overall profitability pressure in the industrial chain. Although the Company implemented loss-mitigation measures, including strengthening R&D investment, deepening overseas business expansion, and adhering to the philosophy of cost reduction and efficiency enhancement, its operations continued to face pressure in the short term, resulting in ongoing occurrence of phased losses by the Company in its 2025 annual results.

III. COUNTERMEASURES

As of now, the Company is operating under normal conditions. To safeguard its sustained, stable, and sound development, and to earnestly protect the interests of the Company and all shareholders, and in alignment with the industry development trends and its own development strategy, the Company has formulated the following core countermeasures for making up the losses in the future:

(I) Deepening Global Layout and Strengthening Profitability Support for Overseas Business

In 2025, the overseas sales of the Company has made a breakthrough of over 50%, and secured a leading industry position in key markets such as India and Turkey, emerging as a core supplier of PV cells in overseas regions. Looking ahead, the Company will consistently adhere to its global development strategy. On one hand, it will continue to penetrate high value-added markets across Asia, Europe, North America, Latin America, and Australia, deepen long-term and stable cooperation with global leading PV module manufacturers, refine the global product certification system, and enhance the international influence of its brand. On the other hand, it will steadily advance the construction of high-efficiency cell production capacity in overseas markets such as Turkey, dynamically optimize overseas capacity planning in response to the international trade environment and tariff policies, achieve "local production and local delivery" measures, integrate into overseas local industrial chains, effectively circumvent trade barriers, and reduce logistics costs. Meanwhile, it will establish an overseas risk early warning mechanism to focus on preventing relevant risks such as exchange rate fluctuations, overseas policy adjustments and geopolitical conflicts, concentrate on cost reduction and loss mitigation, consolidate the foundation of its overseas business, and steadily improve the return on investment of its overseas operations.

(II) Focusing on Core Business and Driving Comprehensive Cost Reduction and Efficiency Improvement through Technological Innovation

As a leading enterprise in the PV cell industry, the Company has taken the lead in achieving large-scale mass production of N-type cells, with its mass production efficiency consistently standing in the first echelon of the industry and its penetration rate of N-type technology at the mass production end leading the industry. Going forward, the Company will continue to focus on its core business of PV cells, take cost reduction and efficiency improvement as its core objective, continuously advance the iterative upgrading of N-type TOPCon cell processes, and further improve the conversion efficiency of PV cells and reduce the non-silicon cost per watt through measures including metal composite reduction, passivation performance enhancement, optical performance optimization and gate line thinning. In terms of capacity operation, the Company will optimize the capacity structure of its domestic production bases in Chuzhou and Huai'an, strictly control production loss and product defect rate, and improve production and operation efficiency. Simultaneously, the Company will promote lean management throughout the entire production and operation process, build a digital operation management and control mechanism, establish a full-range cost management and control system, strictly cut non-essential expenses, strengthen the refined management of account receivables, and achieve cost reduction and efficiency improvement from multiple dimensions such as production, management and capital. In addition, the Company will steadfastly adhere to the R&D philosophy of "researching one generation, piloting one generation, mass-producing one generation", continuously carry out the systematic R&D layout around cutting-edge industry technologies such as xBC and perovskite tandem cells, accelerate the preparation for mass production of TBC cells and the commercial application process of perovskite tandem cells, strengthen technology reserves and achievement transformation, and consolidate its leading technological advantages.

(III) Leveraging the Advantages of the A+H Share Dual-Platform to Fortify Financial Security

As the first listed enterprise in the PV industry with an A+H dual-platform structure, the Company has fully opened up both domestic and international financing channels. Looking ahead, the Company will fully capitalize on the advantages of its domestic and overseas capital market platforms, rationally utilize various market-oriented financing instruments, continuously optimize its capital structure, and effectively control comprehensive financing costs, thereby providing solid financial guarantees for key initiatives such as overseas capacity layout, core technology R&D, and the cultivation of emerging businesses. At the same time, the Company will further strengthen the coordinated management of funds and the efficiency of asset operations, continuously optimize fund allocation, and enhance the benefits of fund utilization under the prerequisite of stringent risk control, ensuring standardized and orderly fund scheduling and a robust and balanced cash flow, so as to earnestly fortify financial security protection and provide robust support for the long-term stable operation and sustainable development of the Company.

IV. DOCUMENT AVAILABLE FOR INSPECTION

Resolution on the Ninth Meeting of the Fifth Session of the Board of Directors.

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

Hong Kong, March 30, 2026

As of the date of this announcement, the Board 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.