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Chaowei Power Holdings Limited

超威動力控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 951)

PROFIT WARNING

This announcement is made by Chaowei Power Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available and the preliminary review of the consolidated management accounts of the Group for the five months ended 31 May 2014, notwithstanding that the Company expects to record a significant increase in the sales volume and revenue of the Group for 6 months ended 30 June 2014 as compared to that for the six months ended 30 June 2013, the Group’s profit for the same period is expected to experience a significant decrease. The Board considers that the expected significant decrease in profit was mainly attributable to the intense competition in the lead-acid motive battery market in the PRC in the first half of 2014, which has kept the selling prices of products under pressure.

Nevertheless, in view of:

- 1) the overall sustained growth of the electric bike market in the PRC;
- 2) the continuous consolidation of the lead-acid battery industry;
- 3) the implementation of the Entry Requirements of the Lead-acid Battery Industry (“鉛蓄電池行業准入條件”) at the end of 2013, that the Group is the clear industry leader in application of the Enclosed Battery Formation Process, and that 100% of the Group’s production capacity is already using the Cadmium Free Production Process;
- 4) that the Group’s sales volume and market share are the highest in the industry, possessing the leading position in the market; and

- 5) that the Group places significant emphasis on developing new products and market, international joint venture cooperation with Moll Group (including Akkumulatorenfabrik MOLL GmbH & Co. KG, Moll Grundstücks-und Vermögensverwaltungs GmbH & Co. KG, Moll ACCU Engineering und Marketing GmbH, MOLL Beteiligungsgesellschaft mit beschränkter Haftung and MOLL Grundbesitz-GmbH) forms a product technology and market foundation for entry into automotive start and stop battery market,

the Board remains confident about the Group's long term prospects.

The information contained in this profit warning announcement has not been audited by the Company's auditors or reviewed by the Company's audit committee and is only based on information currently available to the Company and the Company's preliminary review of the consolidated management accounts of the Group for the 5 months ended 31 May 2014. Shareholders and potential investors are advised to read carefully the consolidated annual results announcement of the Group for the six months ended 30 June 2014, which will be published once available.

By Order of the Board
Chaowei Power Holdings Limited
Zhou Mingming
Chairman and Chief Executive Officer

Changxing, Zhejiang Province, the PRC, 25 June 2014

As at the date of this announcement, the executive Directors are Mr. ZHOU Mingming, Mr. ZHOU Longrui, Ms. YANG Yunfei and Mr. YANG Xinxin; the non-executive Directors are Ms. FANG Jianjun and Mr. NG Chi Kit; and the independent non-executive Directors are Mr. WANG Jiqiang, Prof. OUYANG Minggao and Mr. LEE Conway Kong Wai.