超威®
CHILWEE

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

- Revenue for the Year was approximately RMB40,375 million (2022: approximately RMB31,931 million), representing an increase of approximately 26.4% from last year.
- Gross profit for the Year was approximately RMB3,600 million (2022: approximately RMB3,702 million).
- Profit attributable to the owners of the Company for the Year was approximately RMB348 million (2022: approximately RMB417 million).
- Basic earnings per share for the Year amounted to RMB0.31 (2022: RMB0.38).
- The Board proposed to declare a final dividend of HKD0.053 per share for the Year (2022: HKD0.066), which will be subject to shareholders' approval at the forthcoming annual general meeting, representing a total distribution of approximately HKD58.5 million (2022: approximately HKD72.9 million) for the Year.

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors" or each the "Director") of Chaowei Power Holdings Limited (the "Company") is pleased to announce the audited financial results and financial position of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 (the "Year") together with the comparative figures for the year ended 31 December 2022. These financial results have been audited by Ernst & Young, Certified Public Accountants and reviewed by the audit committee of the Company (the "Audit Committee").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Revenue	*3*	**40,374,512**	31,930,551
Cost of sales		**(36,774,781)**	(28,229,034)
Gross profit		**3,599,731**	3,701,517
Other income		**525,315**	423,472
Other gains and other losses		**(5,310)**	28,881
Distribution and selling expenses		**(1,047,567)**	(1,045,058)
Administrative expenses		**(612,430)**	(573,252)
Research and development expenses		**(1,213,781)**	(1,097,402)
Impairment losses under expected credit loss model, net of reversal		**(80,063)**	(253,092)
Finance costs	*4*	**(416,325)**	(370,373)
Share of result of joint ventures		**4,865**	2,965
Share of result of associates		**389**	419
Profit before tax	*5*	**754,824**	818,077
Income tax expense	*6*	**(224,310)**	(230,228)
Profit for the year		**530,514**	587,849
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**34**	(871)
Fair value gain/(loss) on receivables at fair value through other comprehensive income ("FVTOCI")		**1,273**	(6,702)
Other comprehensive income for the year, net of income tax		**1,307**	(7,573)
Total comprehensive income for the year		**531,821**	580,276
Profit for the year attributable to:			
Owners of the Company		**347,528**	417,181
Non-controlling interests		**182,986**	170,668
		530,514	587,849
Total comprehensive income for the year attributable to:			
Owners of the Company		**348,835**	409,608
Non-controlling interests		**182,986**	170,668
		531,821	580,276
Earnings per share			
— Basic and diluted *(RMB)*	*7*	**0.31**	0.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,751,420**	4,967,101
Right-of-use assets		**667,339**	537,214
Investment properties		**564**	1,107
Goodwill		**49,447**	49,447
Intangible assets		**141,913**	147,272
Interests in joint ventures		**58,990**	70,539
Interests in associates		**39,969**	39,696
Equity instruments at FVTOCI		**42,300**	11,118
Loan receivables		**51,920**	48,297
Deferred tax assets		**553,150**	630,182
Amounts due from related parties		**–**	77,293
Deposits paid for acquisition of property, plant and equipment		**280,966**	351,705
		6,637,978	6,930,971
CURRENT ASSETS			
Inventories		**4,473,315**	3,981,978
Loan receivables		**5,108**	25,980
Trade receivables	*9*	**1,561,404**	2,234,847
Receivables at FVTOCI	*10*	**3,411,077**	2,365,207
Prepayments, other receivables and other assets		**878,679**	1,194,963
Financial assets at fair value through profit or loss ("FVTPL")		**96,994**	122,927
Amounts due from related parties		**150,902**	72,600
Restricted bank deposits		**1,036,265**	890,887
Bank balances and cash		**3,540,761**	2,157,975
		15,154,505	13,047,364
CURRENT LIABILITIES			
Derivative financial instruments		**266**	2,270
Trade payables	*11*	**1,582,586**	2,456,170
Bills payable	*12*	**2,255,100**	1,613,341
Other payables and accruals		**1,524,416**	1,397,636
Contract liabilities		**1,600,107**	1,041,577
Warranty provision		**530,957**	589,755
Tax liabilities		**100,195**	165,701
Lease liabilities		**4,886**	3,064
Amounts due to related parties		**46,669**	30,057
Borrowings		**5,208,025**	4,195,517
		12,853,207	11,495,088

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AT 31 DECEMBER 2023

	2023	2022
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**2,301,298**	1,552,276
TOTAL ASSETS LESS CURRENT LIABILITIES	**8,939,276**	8,483,247
CAPITAL AND RESERVES		
Share capital	**74,704**	74,704
Reserves	**6,064,299**	5,819,442
Equity attributable to owners of the Company	**6,139,003**	5,894,146
Non-controlling interests	**1,057,804**	916,160
TOTAL EQUITY	**7,196,807**	6,810,306
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**9,000**	10,000
Lease liabilities	**5,865**	9,996
Borrowings	**1,504,951**	1,427,050
Deferred income	**222,653**	225,895
	1,742,469	1,672,941
	8,939,276	8,483,247

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 18 January 2010 as an exempted company with limited liability under the Companies Act of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 7 July 2010. The address of the registered office of the Company is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands, and the address of its principal place of business in the People's Republic of China (the "PRC") is No.18, Chengnan Road, Huaxi Industrial Function Area, Changxing County, Zhejiang Province, the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and most of its subsidiaries. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are manufacturing and sales of lead-acid motive batteries, lithium-ion batteries and other related products.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets at 1 January 2022, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date (if any). However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances are not material and qualified for offsetting under IAS 12.

(d) Amendments to IAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

New and amendment to IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")[1, 4]
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 No mandatory effective date yet determined but available for adoption
4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024

Further information about those IFRSs that are expected to be applicable to the Group is described below.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Except for that has been disclosed above, the directors of the Company (the "Directors") anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2023	2022
	RMB'000	*RMB'000*
Types of goods		
Lead-acid motive batteries		
Electric bike battery	**16,459,759**	15,718,006
Electric vehicle battery and special-purpose electric vehicle battery	**8,990,878**	7,927,782
Li-ion batteries	**217,249**	362,426
Renewable materials	**14,706,626**	7,922,337
Total	**40,374,512**	31,930,551

	2023	2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time	**40,374,512**	31,930,551

(ii) Performance obligations for contracts with customers

The Group sells lead-acid motive batteries, lithium-ion batteries and other related products to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers' specific locations and accepted by the customers (delivery). Following the delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. The Group generally allows a credit period of 45 to 90 days to its trade customers with good trading history, or otherwise payments in advance before goods delivery are required.

The Group generally provides a warranty of 15 months starting from the sales of all lead-acid motive battery products. Under the terms of warranty, the Group undertakes to repair or replace the battery free of charge in the event of any malfunctioning within the warranty period. This warrant cannot be purchased separately, the Group accounts for the warranty in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All batteries and related products are delivered within period less than one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest expenses on:		
Bank borrowings	**423,399**	377,436
Lease liabilities	**688**	919
Total borrowing costs	**424,087**	378,355
Less: amounts capitalised in construction in progress	**(7,762)**	(7,982)
	416,325	370,373

Borrowing costs capitalised during the year ended 31 December 2023 arose on the general borrowing pool and are calculated by applying a capitalisation rate of 4.34% per annum (2022: 4.46% per annum) to expenditure on qualifying assets.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	2023	2022
	RMB'000	*RMB'000*
Salaries and other benefits costs	**1,757,326**	1,698,208
Retirement benefits scheme contributions *(note i)*	**91,584**	86,029
Labour cost *(note ii)*	**111,289**	119,805
Total staff costs (including directors' emoluments)	**1,960,199**	1,904,042
Amortisation of intangible assets *(note iii)*	**56,741**	41,610
Depreciation of property, plant and equipment	**598,849**	665,826
Total depreciation and amortisation	**655,590**	707,436
Depreciation of investment properties	**543**	543
Depreciation of right-of-use assets	**28,144**	18,382
Inventories write down	**9,314**	4,908
Cost of inventories recognised as an expense	**36,765,467**	28,224,126
Auditors' remuneration	**3,600**	3,600
Research and development costs recognised as an expense	**1,213,781**	1,097,402

Notes:

(i) At 31 December 2023, the Group had no forfeited contributions available to reduce its contributions to the pension scheme(s) in future years (2022: nil).

(ii) The Group has entered into labour dispatch agreements with several service organisations providing labour resources to the Group.

(iii) Amortisation of intangible assets is included in "administrative expenses" and "research and development expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX EXPENSE

	2023	2022
	RMB'000	*RMB'000*
Current tax:		
— PRC enterprise income tax	**148,719**	287,981
— (Over) under provision in prior years	**(17)**	1,443
Deferred tax credit	**75,608**	(59,196)
	224,310	230,228

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Enterprise Income Tax", New and High Technology Enterprise is subject to income tax at a preferential tax rate of 15%. Certain subsidiaries of the Company were qualified as New and High Technology Enterprises in accordance with the applicable EIT Law of the PRC and are subject to income tax at a preferential tax rate of 15% for a period of three years starting from 2021 to 2023 according to the PRC Tax Law.

Other subsidiaries established in the PRC were subject to income tax rate of 25% for the year ended 31 December 2023 (2022: 25%). The Company and its subsidiaries incorporated in the British Virgin Islands (the "BVI"), Hong Kong and other countries had no assessable profits during the year ended 31 December 2023 (2022: nil).

The EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 10%. During the year ended 31 December 2023, withholding tax on intra-group dividend amounting to approximately RMB9,625,000 (2022: RMB9,690,000) was paid by the Group to relevant tax authorities.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023	2022
	RMB'000	*RMB'000*
Profit before tax	**754,824**	818,077
Tax at the PRC's statutory income tax rate of 25%	**188,706**	204,519
Tax effect of income tax deduction granted to subsidiaries in research and development expenditure	**(140,574)**	(120,687)
Tax effect of expenses not deductible for tax purpose	**37,794**	16,950
Effect of preferential tax rates on income of certain subsidiaries	**(24,317)**	(21,033)
Tax effect of tax losses and deductible temporary differences not recognised	**168,285**	144,906
Utilisation of tax losses and deductible temporary differences previously not recognised	**(5,479)**	(154)
Tax effect of income not taxable	**(8,400)**	(4,560)
Tax effect of share of result of associates	**(97)**	(105)
Tax effect of share of result of joint ventures	**(1,216)**	(741)
Withholding tax on undistributed profits of PRC subsidiaries	**9,625**	9,690
(Over) under provision in prior years	**(17)**	1,443
Income tax expense for the year	**224,310**	230,228

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2023	2022
	RMB'000	*RMB'000*
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**347,528**	417,181

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,104,127**	1,104,127

The outstanding share options of the Company did not have dilutive effect to the Company's earnings per share during the years ended 31 December 2023 and 2022 because the exercise prices of these options were higher than the average market prices of the Company's shares for both years.

8. DIVIDENDS

	2023	2022
	HKD'000	*HKD'000*
Dividends declared for distribution during the year:		
2022 final dividend — HKD0.066 per share	**72,872**	–
2021 final dividend — HKD0.087 per share	**–**	96,059

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of HKD58,519,000 has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

The dividend of HKD72,872,000 in respect of the year ended 31 December 2022 was fully settled in cash in July 2023.

9. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables — contracts with customers	**2,199,567**	2,898,628
Less: allowance for credit losses	**(638,163)**	(663,781)
	1,561,404	2,234,847

As at 1 January 2022, carrying amount of trade receivables from contracts with customers amounted to RMB2,205,165,000 (net of credit loss allowance of RMB543,349,000).

The Group generally allows a credit period of 45 to 90 days to its trade customers with good trading history, or otherwise sales on cash terms are required.

The aged analysis of trade receivables net of allowance for credit losses presented based on the goods delivery date, which is the same as revenue recognition date, at the end of the reporting period is as follows:

	2023	2022
	RMB'000	*RMB'000*
0–45 days	**864,298**	1,108,552
46–90 days	**204,244**	438,497
91–180 days	**219,493**	233,986
181–365 days	**109,709**	273,200
Over 1 year	**163,660**	180,612
	1,561,404	2,234,847

Before accepting any new customer, the Group internally assesses the credit quality of the potential customer and define appropriate credit limits. Management closely monitors the credit quality of trade receivables.

10. RECEIVABLES AT FVTOCI

The balance represents bills receivables held by the Group which is measured at FVTOCI since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

Transferred financial assets that are derecognised in their entirety

The Group has discounted certain bills receivables to banks and transferred certain bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers. These bills are issued or guaranteed by reputable PRC banks with high credit ratings, therefore the Directors consider the risk of the Group being claimed by the holders of these bills is remote in the absence of a default of the accepted banks and the substantial risks in relation to these bills is interest risk as the credit risk arising from these bills is minimal. Upon the discount/endorsement of these bills, the Group has transferred substantially all the risks (i.e. interest risks) of these bills to relevant banks/suppliers, therefore Group has derecognised these bills receivables.

As at 31 December 2023, the Group's maximum exposure to loss and cash outflow, which is same as the amount payable by the Group to collecting banks or the suppliers in respect of the bank issued bills discounted and bank issued bills endorsed, should the issuing banks fail to settle the bills on maturity date, of which amounted to RMB2,948,040,000 and RMB1,563,453,000 (2022: RMB840,625,000 and RMB501,305,000), respectively. All the bills receivables discounted to banks or endorsed to suppliers of the Group have a maturity date of less than one year from the end of the reporting period.

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, The Group has discounted certain bills receivables to banks with a carrying amount of RMB695,155,000 and transferred certain bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers with a carrying amount of RMB80,515,000. In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to these bills, and accordingly, it continued to recognise the full carrying amounts of these bills and the associated borrowings/trade payables settled. Subsequent to the discount/endorsement, the Group did not retain any rights on the use of these bill, including the sale, transfer or pledge of these bills to any other third parties.

11. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles its trade payables within 30 days (2022: 30 days) from the goods receipt date.

The aged analysis of trade payables presented based on the goods receipt date at the end of the reporting period is as follows:

	2023	2022
	RMB'000	*RMB'000*
0–30 days	**873,249**	1,419,577
31–90 days	**509,025**	494,672
91–180 days	**26,555**	332,659
181–365 days	**37,062**	69,116
1–2 years	**42,355**	26,071
Over 2 years	**94,340**	114,075
	1,582,586	2,456,170

12. BILLS PAYABLE

The aged analysis of bills payable presented based on the issue date at the end of the reporting period is as follows:

	2023	2022
	RMB'000	*RMB'000*
0–90 days	**889,682**	669,011
91–180 days	**946,418**	561,516
181–360 days	**419,000**	382,814
	2,255,100	1,613,341

13. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

As at date of this announcement, the Group has no significant events after the reporting period.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present to shareholders the annual results of the Group for the Year.

During the Year, the Group continued to rely on technological innovation to promote development of high quality products, while focusing on meeting market demands as well as pursuing its proven effective strategic initiatives. Its business made steady progress, including:

- Revenue reached approximately RMB40,375 million.

- Profit attributable to the owners of the Company amounted to approximately RMB348 million.

- The Group's high quality development has long been recognised by the industry and authoritative institutions. The Group continued to be included on the list of "Top 500 Chinese Enterprises" (中國企業500強) and the "Top 500 Chinese Private-owned Enterprises" (中國民營企業500強), and was among the heavyweight lists of the "Top 500 Chinese Energy Enterprises (Group)" (中國能源企業(集團)500強), "Fortune Top 500 Chinese Companies" (《財富》中國500強), "Global Top 500 New Energy Enterprises" (全球新能源企業500強) and "China's Top 500 New Economy Enterprises" (中國新經濟企業500強). With its strong technological innovation capability and brand influence, the Group has been successfully listed on the "Top 500 National Technological Innovation Enterprises" (全國科技創新企業500強) and "China Brand Value Evaluation Information List" (中國品牌價值評價信息榜), speaking volumes to its brand image as an industry leader.

- The Group places great importance on technological innovation and has continued to promote creation, protection and transformation of intellectual property. Its comprehensive intellectual property management system has been certified by authoritative institutions and has passed the "National Model Enterprise of Intellectual Property" (國家知識產權示範企業) review.

During the Year, against the backdrop of the rapidly developed e-commerce and logistics industries in the People's Republic of China (the "PRC" or "China"), and increased demand for upgrade and replacement of electric bikes and electric tricycles for multiple scenarios, the Group was able to maintain steady business development. With the PRC government implementing the "Safety Technical Specifications for Electric Bicycles" (《電動自行車安全技術規範》) (the "New National Standards" (新國標)) in various provinces and cities across the country, and various policies and regulations related to electric bicycles and electric tricycles gradually being introduced, the industry further consolidated. Under a number of new regulations, domestic electric bicycles are subject to more arduous specifications resulting in higher industry barriers, which is favorable to the development of leading enterprises that produce high-quality, high-specific-energy lead-acid motive batteries for electric bicycles.

During the Year, building on its outstanding technological strengths and widely-recognised product quality, the Group promoted the sustainable and stable development of its lead-acid motive battery business, enabling it to maintain leadership in the lead-acid motive battery industry. To meet market demands in the long run, the Group has adhered to the approach of pursuing different technologies side-by-side, undertaking its own research and development ("R&D") and also engaging in high-end cooperation with domestic and foreign partners. As such, it came up with a number of new products with different features and for different applications. Moreover, the Group implemented its proven strategic initiatives, deepened the reach of its distribution network, enhanced brand building efforts and continued to increase brand influence and competitiveness. At the same time, as a leading enterprise in the battery industry, the Group has also actively participated in formulating many industry standards, contributing its humble "CHILWEE" strength to promote the industrial development.

On behalf of the Group, I would like to express my sincere gratitude to all shareholders, customers and business partners for their long-term trust and support. I would also like to thank the Board, the management and all employees for their outstanding contribution. In 2024, we will continue to honor our corporate mission of "getting the world to use the Group's green energy", continuously improve product quality and strengthen marketing and sales for the purpose of achieving even better results and bringing more lucrative returns to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in manufacturing and sales of lead-acid motive batteries, lithium-ion batteries and other related products, which are primarily used in electric bikes, electric tricycles and special-purpose electric vehicles.

During the Year, the Group's total revenue increased by approximately 26.4% to approximately RMB40,375 million (2022: approximately RMB31,931 million). Its gross profit decreased by approximately 2.7% to approximately RMB3,600 million (2022: approximately RMB3,702 million) and overall gross profit margin dropped to approximately 8.9% (2022: approximately 11.6%). Profit attributable to owners of the Company was approximately RMB348 million (2022: approximately RMB417 million), representing a 16.7% decrease year-on-year. Basic earnings per share were RMB0.31 (2022: RMB0.38).

INDUSTRY REVIEW

The electric bike market continues to grow, giving new impetus to green mobility

Electric bikes are one of the everyday green transportation for people in China. With such advantages as being green and environmentally-friendly, useful in everyday living, easy to navigate in congested traffic, electric bikes have given convenience to hundreds of millions of people hence long won the favor of consumers. Widely used for personal travel and instant delivery, electric bikes are an important means for the PRC residents to make short-haul trips. Market research data shows there are more than 4 million electric bike riders offering takeaway delivery services to 500 million users, and that rapid development of the logistics and delivery industry has brought significant incremental demand for electric bikes in the country. During the Year, with the PRC government implementing the New National Standards in different provinces and cities, replacement demand for electric bikes prevailed. The transition period ended in 2022 for a number of provinces and municipalities, with some provinces and cities extending the transitional period until 2025. In recent years, the PRC government has stepped up standardising regulation of electric bikes. In November 2023, the State Administration of Market Supervision formulated four national standards for electric bikes, namely, the "General Requirements for Electric Bicycles" (《電動自行車通用要求》), the "Technical Requirements and Test Methods for Electric Bicycle Occupant Protection Assemblies" (《電動自行車乘員防護總成技術要求及試驗方法》), the "Safety Requirements for Electric Bicycle Battery Systems" (《電動自行車蓄電池系統安全要求》) and the "Requirements for Electric Bicycle Signs" (《電動自行車標誌要求》), setting out clear requirements in such aspects as design and manufacture, safety performance, battery systems and labelling of electric bikes, and that in turn has pushed up demand for high-quality electric bike batteries.

The PRC is the world's largest producer, consumer and exporter of electric bikes. According to market statistics, at the end of 2023, the number of electric bikes owned in the PRC exceeded 400 million units, surpassing the 310 million units of automobiles, making it the most numerous mode of transportation in the PRC. According to Frost & Sullivan's forecast, the electric bike market in the PRC will grow at a CAGR of approximately 3.8% between 2023 and 2027 to about 60 million units. In addition, according to data released at the 2023 China Two-wheeled Mobility Industry Conference (中國兩輪出行產業大會), exports of electric bikes from the PRC to "Belt and Road" (一帶一路) countries have kept growing with expected annual export growth rate of around 20%, indicating tremendous potential for further development of the market.

Strengthened regulation of electric tricycles conducive to industry upgrade and consolidation

With the e-commerce and logistics industries in the PRC thriving during the COVID-19 pandemic, demand for delivery service has been increasing. Having such advantages as being environmentally friendly, low-cost and easy-to-operate, electric tricycles, large electric tricycles and special-purpose electric vehicles have become the main means for short-haul delivery purpose. In light of that, the country has strengthened regulation of the electric tricycle market, with new regulations gradually introduced in many provinces and cities during the Year. In Beijing, the authority implemented the "one vehicle, one battery and one code" (一車一池一碼) policy and the "Electric Bicycle and Storage Battery Manufacturing and Operating Entities' Responsibility for Compliance with Laws and Regulations" (《電動自行車及蓄電池生產經營主體依法合規經營責任書》) was signed with enterprises, stating clearly that non-compliant electric tricycles will be barred from the road starting 1 January 2024. The new policy will help fuel replacement demand for electric tricycles, oust non-compliant and unqualified electric tricycle enterprises and speed up industry consolidation.

Lead-acid motive batteries market remained stable

In recent years, with green transportation rapidly developing in the PRC, lead-acid batteries are widely used in electric bikes and the market demand for them has continued to grow. Boasting such advantages as highly cost effective, and safe and stable, having a wide scope of application and can be recycled and reused, plus consumer groups of electric bikes, electric tricycles and electric four-wheelers for the elderly being relatively more price-sensitive, the market share and sales volume of lead acid motive batteries will remain steady. In addition, as lead-acid batteries have a two-year replacement cycle, the huge replacement market is braced by stable demand.

Industry policies promote electric bike industry upgrade

Stepping into 2024, when the transition period of the New National Standards in various regions of China is gradually expiring, and temporary licenses of the transition period for many cities are either already invalid or about to expire, with regulations targeting electric bikes taking effect, replacement demand for electric bikes will see a boost, leading enterprises capable of producing high quality and high-specific-energy lead-acid batteries for electric bikes are well-poised for development.

The "Collective Standard Regarding Food Delivery Vehicles Part 1: Food Delivery Electric Bicycles" (《外賣專用車第1部分：外賣電動自行車》團體標準) was issued by the China Bicycle Association on 1 July 2021, setting out clearly the relevant standards and requirements applicable for food delivery electric bikes and their batteries, giving an added push to the demand for upgrade and replacement of electric bikes for food delivery. Takeaway service has kept developing relatively fast post-pandemic, and such policy has great significance to the electric bike industry in promoting high-quality development.

BUSINESS REVIEW

Battery business sustaining steady development

Lead-acid motive battery is the Group's core product. Affording outstanding technological strengths and superior product quality, plus having well-established marketing channels and proven brand effect, the Group has maintained leadership in the lead-acid motive battery industry. Revenue from sales of lead-acid motive batteries for the Year was approximately RMB25,451 million, accounting for approximately 63.0% of the Group's total revenue. Revenue from sales of electric bike batteries was approximately RMB16,460 million, accounting for approximately 40.8% of the Group's total revenue, and revenue from sales of electric tricycle batteries and special-purpose electric vehicle batteries was approximately RMB8,991 million, making up approximately 22.3% of the Group's total revenue.

The Group also sells lithium-ion battery products, reflective of its strategic approach of pursuing multiple technologies side-by-side, carrying out independent R&D and high-end cooperation with international and domestic partners. As such, it has been able to continuously improve product quality and is dedicated to develop a number of new products with different features and for different applications. Revenue from sales of lithium-ion battery products for the Year was approximately RMB217 million.

Created an omni-channel marketing model and continuing to deepen brand image

The Group has in place proven effective strategic deployment, with production facilities in regions including Shandong, Jiangsu, Henan, Zhejiang, Anhui, Jiangxi and Hebei provinces in China, where demand for lead-acid motive batteries is high, allowing it to reduce storage and logistics costs, in turn helping it enhance operational efficiency.

The Group has a sales and distribution network spanning across China, covering primary and secondary markets. For primary markets, the Group has maintained long-term cooperation with a number of top electric bicycle manufacturers and has dedicated departments to provide comprehensive sales services to major customers. For secondary markets, it has an extensive distribution network that covers all provinces and regions in the country, complemented by a comprehensive sales service system that includes a national service hotline, enabling it to provide from online to offline, delivery to installation, and pre-sale to after-sale services. For overseas markets, the Group has been actively expanding into overseas markets, made innovative changes to its sales channels countrywide and strived to open up more benchmark markets.

On the marketing front, market demand-oriented, the Group has worked hard at innovation, product, marketing and service wise. During the Year, the Group has launched a number of marketing campaigns, including hosting the new energy "Ride to China" (騎跡中國) Rally Competition across the country together with major automobile manufacturers, agents and end-customers to test and verify the excellent performance and quality of the new energy graphene batteries, with the intention of seizing the market development trend and strengthening its brand image, as well as creating more potential growth opportunities and value for itself and its partners. Regarding brand promotion, for the 20th consecutive year, the Group has renowned movie star Mr. Donnie Yen as its brand ambassador to continue to deepen brand influence.

Insisting on technological innovation and intellectual property protection to help promoting industry leadership

As a leading brand in the motive battery industry, the Group has relied on technological innovation and continuous breakthroughs in new technologies, materials and products to achieve high-quality development that deserves industry recognition and allows it to fortify industry leadership. During the Year, the Group continued to retain the "Top 500 Chinese Enterprises" (中國企業500強) and the "Top 500 Chinese Private-owned Enterprises" (中國民營企業500強), and was among the heavyweight lists of the "Top 500 Chinese Energy Enterprises (Group)" (中國能源企業(集團)500強), "Fortune Top 500 Chinese Companies" (《財富》中國500強), "Global Top 500 New Energy Enterprises" (全球新能源企業500強) and "China's Top 500 New Economy Enterprises" (中國新經濟企業500強). With its strong technological innovation capability and brand influence, the Group has been successfully listed on the "Top 500 National Technological Innovation Enterprises" (全國科技創新企業500強) and the "China Brand Value Evaluation Information List" (中國品牌價值評價信息榜).

The Group places heavy emphasis on technological innovation and has continued to promote creation, protection and transformation of intellectual property rights. Its sound intellectual property management system has been certified by authoritative institutions and passed the National Model Enterprise of Intellectual Property (國家知識產權示範企業) review. During the Year, the Group's subsidiaries, Zhejiang Chaowei Chuangyuan Industrial Co., Ltd. (浙江超威創元實業有限公司) and Shandong Chaowei Power Co., Ltd. (山東超威電源有限公司) earned the title of National Model Enterprise of Intellectual Property (國家知識產權示範企業) and the title of National Intellectual Property Advantage Enterprise (國家知識產權優勢企業), respectively. As at 31 December 2023, four subsidiaries of the Group were awarded the title of National Model Enterprise of Intellectual Property and the title of National Intellectual Property Advantage Enterprise. The scientific research innovation efforts and intellectual property rights of the Group have continued to bring fruit, further enhancing the Group's market competitiveness.

Investing in research and development in technology and setting the industry development trend

Implementing the strategy of fostering the enterprise with talent, the Group has speeded up recruiting top-notch talent from around the world. It has established a global R&D platform and, with leading edge in "new technology, new materials and new products", has continued to drive rapid industrial development. During the Year, the Group spent approximately RMB1,214 million on R&D, representing approximately 3.0% of its total revenue.

As at 31 December 2023, the Group has recruited more than 20 renowned experts at home and from abroad and has collaborated with Nobel Prize winner in Physics, Professor Andre Geim as a strategic partner in R&D of graphene battery technology, showcasing the Group's outstanding talent competitive advantages. In addition, during the Year, the Group was included in the "First Batch of Benchmark Teaching Sites for Enterprise Operation and management talent Quality Improvement Projects" (首批企業經營管理人才素質提升工程標杆教學點) by the Ministry of Industry and Information Technology of the PRC and also named one of the "Top 10 Enterprises with Strong Talent" (人才強企) in Huzhou city, the PRC. At the same time, as a National Model Enterprise of Technological of the PRC Innovation and a National Model Enterprise of Intellectual Property of the PRC, the Group is armed with well-established R&D platforms including a nationally-recognised enterprise technology center, a nationally-accredited laboratory, a national environmental protection engineering technology center, a provincial key enterprise research institute, an academician workstation, a national post-doctoral scientific research workstation, and a national environmental protection lead-acid battery production and recycling pollution prevention engineering technology center. It also has a number of technology R&D centers set up overseas. As a leading enterprise in the battery industry, the Group has been an active participant in the formulation of a number of industry standards, contributing the "CHILWEE" energy to help the industry develop.

Future development strategies

With the country pressing ahead with its dual-carbon strategy, the PRC economy and society have entered high-quality development alongside green and low-carbon development picking up speed. The Central Economic Working Conference emphasised the need to step up promoting green and low-carbon development and actively and effectively push to attain carbon peaking and carbon neutrality. The Group will closely follow the guidance of national policies and continue to deliver on the corporate mission of "advocating green energy and perfecting human life" ("倡導綠色能源、完美人類生活"), thereby creating value for mass consumers.

Looking ahead at 2024, the Group will continue to set a "zero-carbon CHILWEE" (零碳超威) example as well as let mankind enjoy green and low-carbon living. On the technological innovation front, the Group will cooperate with all upstream and downstream parties along its industrial chain on important fields and key technologies for such as new energy batteries, high safety technologies, automation equipment and new materials R&D, to continuously transform its leading technological advantages into product, market and competitive advantages. Regarding introducing and nurturing talent, the Group will vigorously recruit and train strategic talent, those with leadership strengths and critical and core to its various operational segments. Regarding marketing and promotion, guided by the market, and with customers at heart and products as means, it will go all out to achieve product differentiation, brand differentiation, and marketing model and service differentiation. Regarding smart management, it will promote the "Smart CHILWEE" (智慧超威) strategy to empower productivity, and foster product and channel strengths, and accelerate digital and intelligent transformation. The Group will continue to promote high-quality development in the industry.

FINANCIAL REVIEW

Revenue

The Group's revenue amounted to approximately RMB40,374,512,000 in the Year, representing an increase of approximately 26.4% from approximately RMB31,930,551,000 in 2022. The increase in revenue was primarily attributable to an increase in sales of renewable materials.

Gross profit

The Group's gross profit amounted to approximately RMB3,599,731,000 in the Year, representing a decrease of approximately 2.7% from approximately RMB3,701,517,000 in 2022. The Group's gross profit margin in the Year was approximately 8.9% (2022: approximately 11.6%). The decrease in gross profit margin was primarily due to an increase in the proportion of revenue for renewable materials which has a relatively lower gross profit margin.

Other income

The Group's other income amounted to approximately RMB525,315,000 in the Year, representing an increase of approximately 24.0% from approximately RMB423,472,000 in 2022, which was mainly due to an increase in interest income on bank deposit in the Year.

Distribution and selling expenses

The Group's distribution and selling expenses amounted to approximately RMB1,047,567,000 in the Year, representing a slight increase of approximately 0.2% from approximately RMB1,045,058,000 in 2022, which was primarily attributable to an increase in staff cost and offset by a decrease in after-sales service expense during the Year. For the Year, the distribution and selling expenses as a percentage of revenue were approximately 2.6% (2022: approximately 3.3%).

Administrative expenses

The Group's administrative expenses were approximately RMB612,430,000 in the Year, representing an increase of approximately 6.8% from approximately RMB573,252,000 in 2022, which was mainly due to an increase in consultation fee and staff cost during the Year.

R&D expenses

The Group's R&D expenses amounted to approximately RMB1,213,781,000 in the Year, representing an increase of approximately 10.6% from approximately RMB1,097,402,000 in 2022, which was primarily attributable to an increase in R&D expenditure on lead-acid batteries and other new technology products during the Year.

Finance costs

The Group's finance costs increased by approximately 12.4% from approximately RMB370,373,000 in 2022 to approximately RMB416,325,000 in the Year. The increase in finance costs was primarily due to an increase in interest expense of bank borrowings during the Year.

Profit before tax

For the above reasons, the Group's profit before tax decreased by approximately 7.7% to approximately RMB754,824,000 in the Year (2022: approximately RMB818,077,000).

Taxation

The Group's income tax expenses decreased by approximately 2.6% to approximately RMB224,310,000 in the Year (2022: approximately RMB230,228,000). The effective tax rate was approximately 29.7% in the Year (2022: approximately 28.1%). The higher effective tax rate was mainly due to an increase in the tax losses and deductible temporary differences not recognised during the Year.

Profit attributable to owners of the Company

For the above reasons and an increase in profit of subsidiaries' minority shareholders, profit attributable to owners of the Company decreased to RMB347,528,000 in the Year (2022: approximately RMB417,181,000).

Liquidity and financial resources

As at 31 December 2023, the Group had net current assets of approximately RMB2,301,298,000 (31 December 2022: net current assets of approximately RMB1,552,276,000). Cash and bank balances were approximately RMB3,540,761,000 (31 December 2022: approximately RMB2,157,975,000). Net debts, including borrowings, lease liabilities and deducting cash and bank deposits (including restricted bank deposits), were approximately RMB2,146,701,000 (31 December 2022: approximately RMB2,586,765,000), which were mainly used to finance the capital expenditure, the purchases of raw materials and daily working capital of the Group. Borrowings were denominated in RMB, USD or HKD, of which approximately RMB5,573,526,000 bore interest at fixed rates and approximately RMB5,208,025,000 were repayable within one year. The Group adopts centralised financing and treasury policies in order to ensure that the Group's funding is utilised efficiently and it monitors its interest rate risks in a conservative manner.

As at 31 December 2023, the Group's current ratio (current assets/current liabilities) was 1.18 (31 December 2022: 1.14) and gearing ratio (net debts/total assets) was approximately 9.9% (31 December 2022: approximately 12.9%). The Group had sufficient cash and available banking facilities to meet its commitments and working capital requirements. The current cash position enables the Group to explore potential investment and potential business development opportunities to expand its market share in the PRC.

Exchange rate fluctuation risk

As the Group's operations are mainly conducted in the PRC and the majority of the sales and purchases are transacted in RMB, the Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks. The Group currently does not have any foreign currency hedging policies.

Pledge of assets

At the end of the Year, certain of the Group's assets were pledged to secure banking facilities granted to the Group. The aggregate carrying amount of the assets of the Group pledged at the end of each of the financial years is as follows:

	2023	2022
	RMB'000	*RMB'000*
Buildings	**458,022**	689,132
Right-of-use assets	**78,915**	107,666
Deposits for borrowings	**12,256**	25,150
Receivables at FVTOCI	**2,128,772**	1,658,065
Restricted bank deposits	**1,036,265**	890,887
Inventory	**325,139**	82,574

Capital commitments

	2023	2022
	RMB'000	*RMB'000*
Contracted but not provided for:		
— acquisition of property, plant and equipment	**206,751**	113,352
— acquisition of intangible asset	**–**	7,920
— capital contribution to associates	**6,400**	6,400
— capital contribution to a joint venture	**174**	174

Contingent liabilities

The Group had no contingent liabilities as at 31 December 2023 (31 December 2022: nil).

Human resources and employees' remuneration

As at 31 December 2023, the Group employed a total of 16,721 (31 December 2022: 16,977) staff members in the PRC and Hong Kong. During the Year, the total cost of employees amounted to approximately RMB1,960,199,000. The Group sought to further strengthen staff training by offering focused training programmes and study tours to management and professional technical personnel, and disseminating the latest information of government policy on the lead-acid motive battery industry to staff. The Group continued to strive for the enhancement of professional standards and overall qualities of its staff. The Group also provided competitive salary packages to its staff, encouraging them to be fully dedicated in their work and to leverage their capabilities in serving its customers.

Significant investment, material acquisition or disposal of subsidiaries, associates and joint ventures

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance in the interests of shareholders. The Company has complied with all code provisions of the Corporate Governance Code (the "Code") contained in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the Year, except for the deviation as stated below.

Code Provision C.2.1 of the Code requires the roles of chairman of the board and chief executive officer to be separated. Mr. Zhou Mingming is currently both the chairman of the Board and chief executive officer of the Company. The Board considers that the current arrangement facilitates the execution of the Group's business strategies and maximises efficiency of its operation and is therefore beneficial to the Company and its shareholders as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of the Directors, senior management and relevant employees (who, because of their office in the Company, are likely to be in possession of inside information) of the Company on terms no less exacting than the required standard of dealings specified in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules. Having made specific enquiry to all Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code and the Company's own code of conduct regarding Directors' securities transactions during the Year.

AUDIT COMMITTEE

The Company has established the Audit Committee. Its primary duties include, among other things, the review and supervision of the Group's financial reporting process, risk management and internal control systems. The Audit Committee comprises all three independent non-executive Directors of the Company, namely Mr. Lee Conway Kong Wai ("Mr. Lee"), Mr. Ng Chi Kit and Mr. Sun Wenping. Mr. Lee is the chairman of the Audit Committee. Mr. Lee has professional qualification and experience in accounting and financial matters.

The Audit Committee has met and discussed with the external auditors of the Company, Ernst & Young, and has reviewed the accounting principles and practices adopted by the Group and the audited results of the Group for the Year. The Audit Committee considered that the consolidated results of the Group for the Year are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been duly made in accordance with Appendix D2 of the Listing Rules in this announcement.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company (the "Register of Members") will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the annual general meeting to be held on Thursday, 6 June 2024, during which period no transfer of shares of the Company will be registered. The record date for the purpose of determining the entitlements of shareholders to attend and vote at the annual general meeting will be on Thursday, 6 June 2024. In order to qualify for attending the annual general meeting, the shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, 31 May 2024.

The Board has resolved to recommend the payment of a final dividend of HKD0.053 per share for shareholders whose names appear on the Register of Members on Monday, 17 June 2024. The Register of Members will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024, both days inclusive, and the proposed final dividend is expected to be paid on or around Wednesday, 17 July 2024. The payment of dividends shall be subject to the approval of the shareholders at the annual general meeting of the Company expected to be held on Thursday, 6 June 2024. In order to be qualified for the proposed final dividend, shareholders should deliver share certificates together with transfer documents to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 12 June 2024.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the shareholders (if requested) and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chaowei.com.hk) in due course.

APPRECIATION

The future robust development of the Group hinges on the full support of its shareholders, customers and business partners as well as the dedicated commitment and hard work of our staff. The Board would also like to take this opportunity to express its sincere gratitude to them. The Group intends to continue its concerted efforts to advance its business development to new heights while bringing lucrative returns to the supporters of the Group.

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

Changxing, Zhejiang Province, the PRC, 26 March 2024

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 Director is Ms. FANG Jianjun; the independent non-executive Directors are Mr. LEE Conway Kong Wai, Mr. NG Chi Kit and Mr. Sun Wenping.