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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the Period was approximately RMB27,257 million (the corresponding period of 2024: approximately RMB21,236 million).
- Gross profit for the Period was approximately RMB1,786 million (the corresponding period of 2024: approximately RMB1,614 million).
- Profit attributable to owners of the Company for the Period was approximately RMB205.2 million (the corresponding period of 2024: approximately RMB203.4 million).
- Basic earnings per share for the Period amounted to RMB0.19 (the corresponding period of 2024: RMB0.18).
- The Board resolved not to declare an interim dividend for the Period.

#### **INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors” or each a “Director”) of Chaowei Power Holdings Limited (the “Company”) is pleased to announce the unaudited interim financial results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Period”), together with the comparative figures for the corresponding period of 2024. These interim financial results have been reviewed by the Company’s auditor, Ernst & Young, Certified Public Accountants and the audit committee (the “Audit Committee”) of the Company.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	4	<b>27,257,243</b>	21,236,322
Cost of sales		<b>(25,471,209)</b>	(19,622,114)
Gross profit		<b>1,786,034</b>	1,614,208
Other income		<b>258,465</b>	391,175
Other gains and losses		<b>(331)</b>	(70,148)
Impairment losses under expected credit loss model, (recognised)/reversed		<b>(56,827)</b>	19,777
Distribution and selling expenses		<b>(437,875)</b>	(442,537)
Administrative expenses		<b>(281,976)</b>	(317,946)
Research and development expenses		<b>(657,715)</b>	(555,867)
Finance costs		<b>(243,952)</b>	(230,246)
Share of results of associates		<b>560</b>	(38)
Share of results of joint ventures		<b>856</b>	(61)
Profit before tax	5	<b>367,239</b>	408,317
Income tax expense	6	<b>(91,040)</b>	(95,724)
<b>Profit for the period</b>		<b>276,199</b>	312,593
<b>Other comprehensive income (expense):</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		<b>291</b>	(212)
Fair value gain/(loss) on receivables at fair value through other comprehensive income ("FVTOCI")		<b>7,891</b>	(4,393)
Other comprehensive income (expense) for the period, net of income tax		<b>8,182</b>	(4,605)
<b>Total comprehensive income for the period</b>		<b>284,381</b>	307,988
Profit for the period attributable to:			
Owners of the Company		<b>205,169</b>	203,355
Non-controlling interests		<b>71,030</b>	109,238
		<b>276,199</b>	312,593
Total comprehensive income for the period attributable to:			
Owners of the Company		<b>213,351</b>	198,750
Non-controlling interests		<b>71,030</b>	109,238
		<b>284,381</b>	307,988
Earnings per share			
— Basic and diluted ( <i>RMB</i> )	7	<b>0.19</b>	0.18

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

		30 June 2025	31 December 2024
	Notes	RMB'000 (unaudited)	RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,541,825	4,607,263
Right-of-use assets		627,662	636,969
Investment properties		1,309	1,581
Goodwill		49,447	49,447
Intangible assets		45,480	66,382
Interests in joint ventures		51,590	58,942
Interests in associates		52,099	48,438
Equity instruments at FVTOCI		228,670	159,170
Loans receivable		50,000	50,000
Deferred tax assets		511,398	544,124
Deposits paid for acquisition of property, plant and equipment		309,904	289,998
		<u>6,469,384</u>	<u>6,512,314</u>
<b>CURRENT ASSETS</b>			
Inventories		4,802,996	4,347,571
Loans receivable		27,000	11,608
Trade receivables	9	3,055,092	2,577,941
Receivables at FVTOCI	10	900,467	2,418,960
Prepayments, other receivables and other assets		1,248,690	1,038,984
Financial assets at fair value through profit and loss ("FVTPL")		28,624	31,470
Derivative financial assets		6,020	5,128
Amounts due from related parties		15,797	11,433
Restricted bank deposits		4,224,550	3,277,050
Bank balances and cash		3,828,789	3,612,035
		<u>18,138,025</u>	<u>17,332,180</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (continued)**  
30 JUNE 2025

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>
<b>CURRENT LIABILITIES</b>			
Derivative financial liabilities		<b>12,925</b>	7,744
Trade payables	11	<b>1,681,538</b>	1,616,192
Bills payable	12	<b>1,060,084</b>	1,588,565
Other payables and accruals		<b>1,359,807</b>	1,394,826
Contract liabilities		<b>1,389,350</b>	1,222,689
Provision for warranty		<b>521,034</b>	538,858
Tax liabilities		<b>21,323</b>	64,314
Lease liabilities		<b>3,776</b>	5,590
Amounts due to related parties		<b>19,020</b>	32,722
Borrowings		<b>7,831,133</b>	7,197,844
		<b>13,899,990</b>	13,669,344
<b>NET CURRENT ASSETS</b>		<b>4,238,035</b>	3,662,836
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,707,419</b>	10,175,150
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>74,704</b>	74,704
Reserves		<b>6,442,641</b>	6,296,162
Equity attributable to owners of the Company		<b>6,517,345</b>	6,370,866
Non-controlling interests		<b>1,362,677</b>	1,279,198
<b>TOTAL EQUITY</b>		<b>7,880,022</b>	7,650,064
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>4,000</b>	7,500
Lease liabilities		<b>97</b>	2,346
Borrowings		<b>2,569,189</b>	2,242,776
Deferred income		<b>254,111</b>	272,464
		<b>2,827,397</b>	2,525,086
		<b>10,707,419</b>	10,175,150

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 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 (the “Stock Exchange”) with effect from 7 July 2010.

The condensed 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. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2025 (the “Period”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

## 3. PRINCIPAL ACCOUNTING POLICIES

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

Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>3</sup>
Amendments to IAS 21	<i>Lack of Exchange ability</i> <sup>2</sup>
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

#### 4. REVENUE

##### (i) Disaggregation of revenue from contracts with customers

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Lead-acid motive batteries		
Electric bike batteries	<b>9,147,158</b>	8,596,208
Electric car batteries and special-purpose electric car batteries	<b>4,062,935</b>	4,061,933
Li-ion batteries	<b>357,106</b>	65,459
Renewable materials	<b>13,690,044</b>	8,512,722
	<b><u>27,257,243</u></b>	<b><u>21,236,322</u></b>
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Timing of revenue recognition		
At a point in time	<b><u>27,257,243</u></b>	<b><u>21,236,322</u></b>

##### (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 been transferred, and when the goods have been delivered to the customers' specific locations (upon 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 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 sales on cash terms are required.

## 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Wages and salaries	<b>788,406</b>	722,721
Contributions to retirement benefits scheme	<b>58,247</b>	48,751
Labour cost ( <i>note i</i> )	<b>19,821</b>	51,048
	<b><u>866,474</u></b>	<b><u>822,520</u></b>
Total staff costs		
Amortisation of intangible assets	<b>20,902</b>	63,282
Depreciation of property, plant and equipment	<b>300,174</b>	404,049
	<b><u>321,076</u></b>	<b><u>467,331</u></b>
Total depreciation and amortisation		
Depreciation of right-of-use assets	<b>9,307</b>	16,253
Cost of inventories sold	<b>25,471,209</b>	19,622,114
Impairment losses recognised/(reversed) on ( <i>note ii</i> ):		
— trade receivables	<b>49,773</b>	6,885
— other receivables	<b>3,652</b>	(4,957)
— loans receivables	<b>4,608</b>	—
— amounts due from related parties	<b>(1,206)</b>	(21,705)
	<b><u>56,827</u></b>	<b><u>(19,777)</u></b>
Loss on disposal of property, plant and equipment	<b>5,258</b>	7,159
Net foreign exchange loss (gain)	<b>507</b>	(770)

*Notes:*

- (i) The Group has entered into labor dispatch agreements with several service organisations which have provided labor service to the Group.
- (ii) The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
— PRC enterprise income tax	47,524	59,252
Under(over) provision in prior years		
— PRC enterprise income tax	6,920	(4,346)
Deferred tax	36,596	40,818
	<u>91,040</u>	<u>95,724</u>

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”, a new and high technical enterprise is subject to income tax at a preferential tax rate of 15%. Certain subsidiaries of the Company were qualified as new and high technical enterprises in accordance with the applicable EIT Law of the PRC and are subject to income tax at a preferential tax rate of 15%.

Other subsidiaries established in the PRC were subject to income tax at a rate of 25% for the Period (six months ended 30 June 2024: 25%). The Company and its subsidiaries incorporated in the British Virgin Islands, Germany, Hong Kong and other countries had no assessable profits during the Period (six months ended 30 June 2024: nil).

## 7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (profit for the period attributable to the owners of the Company)	<u>205,169</u>	<u>203,355</u>
	Six months ended 30 June	
	2025	2024
	'000	'000
	(unaudited)	(unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,104,127</u>	<u>1,104,127</u>



No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the both periods.

## 8. DIVIDENDS

During the Period, a final dividend of HKD0.043 (equivalent to RMB0.039) per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HKD0.053 (equivalent to RMB0.048) per share in respect of the year ended 31 December 2023) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the Period was HKD47,477,000 (equivalent to RMB43,297,000) (six months ended 30 June 2024: HKD58,519,000 (equivalent to RMB53,408,000)). The final dividend in respect of the year ended 31 December 2024 has been paid in July 2025.

The board of directors of the Company resolved not to pay dividend in respect of the Period (six months ended 30 June 2024: nil).

## 9. TRADE RECEIVABLES

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Trade receivables — contracts with customers	<b>3,835,192</b>	3,308,520
Less: Allowance for credit losses	<b>(780,100)</b>	(730,579)
	<b><u>3,055,092</u></b>	<u>2,577,941</u>

The Group normally 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 following is an analysis of trade receivables by age, presented based on the revenue recognition date, net of allowance for doubtful debts, as at 30 June 2025 and 31 December 2024:

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
0–45 days	<b>1,558,578</b>	1,304,205
46–90 days	<b>387,125</b>	345,114
91–180 days	<b>685,267</b>	568,424
181–365 days	<b>215,216</b>	243,805
Over 365 days	<b>208,906</b>	116,393
	<b><u>3,055,092</u></b>	<u>2,577,941</u>

## 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.

## 11. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date, at 30 June 2025 and 31 December 2024:

	<b>30 June 2025 RMB'000 (unaudited)</b>	<b>31 December 2024 RMB'000 (audited)</b>
0–30 days	<b>931,557</b>	958,901
31–90 days	<b>485,211</b>	348,006
91–180 days	<b>99,935</b>	165,659
181–365 days	<b>35,190</b>	27,178
1–2 years	<b>20,939</b>	32,605
Over 2 years	<b>108,706</b>	83,843
	<b><u>1,681,538</u></b>	<b><u>1,616,192</u></b>

## 12. BILLS PAYABLE

All the bills payable are of trading nature and will mature within one year from the issue date.

## MANAGEMENT DISCUSSION & ANALYSIS

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

During the Period, the Group's total revenue increased by approximately 28.4% to approximately RMB27,257 million (corresponding period in 2024: approximately RMB21,236 million). The Group's gross profit increased by approximately 10.6% to approximately RMB1,786 million (corresponding period in 2024: approximately RMB1,614 million). The Group's overall gross profit margin was approximately 6.6% (corresponding period in 2024: approximately 7.6%), and profit attributable to owners of the Company was approximately RMB205.2 million (corresponding period in 2024: approximately RMB203.4 million), a year-on-year increase of around 0.9%. Basic earnings per share were RMB0.19 (corresponding period in 2024: RMB0.18).

### Industry Overview

#### *Electric bike travel gaining popularity, market heating up*

As an important mode of short-haul transportation in the People's Republic of China (the "PRC" or "China"), electric bikes have won the long-term favor of consumers due to their efficiency, convenience, environmental friendliness and cost effectiveness. With the rapid development of urban retail and online consumption, e-commerce, food delivery and express delivery services have grown significantly, driving the market demand for electric bikes. Data shows that the volume of on-demand delivery orders reached 42 billion in 2023, with over 700 million delivery users; in 2024, the number of orders exceeded 48 billion. With their environmental friendliness, convenience and efficiency, electric bikes can meet the needs of individuals and businesses by offering a low-maintenance, cost-effective transportation solution.

According to the "2025 Consumer Goods Industry Series Research Report — Interpretation of the New National Standard for Electric Bicycles" published by the China Electronics Standardisation Institute, electric bike ownership in the PRC has reached an estimated 350 million units. In addition, the "2025 China Two-Wheel Electric Vehicle Industry Research Report" suggests that the release of the new national standard policy dividends and the promotion of trade-in subsidies will boost China's annual sales of electric bikes to around 52 million units in 2025.

*Strengthened industry management regulations and trade-in policies lead the industry towards high-quality development*

China continues to improve its management standards for electric bikes and promote the industry's development towards higher standards and higher quality through policy guidance. The new "Safety Technical Specification for Electric Bicycle" will officially come into effect on 1 September 2025. The aim is to standardise the design, production and use of electric bikes to effectively improve their safety performance, promote the standardisation and high-quality development of the industry, and build a safe, convenient and green transportation system. In addition, the "Implementation Plan for the Promotion of Electric Bicycles Trade-in" was released in September 2024, and the "Notice on Promoting the Electric Bicycle Trade-In Program for 2025" was released in January 2025, clearly stating that the electric bike trade-in program would continue from 1 January 2025, with subsidies given to individual consumers who trade in their old electric bikes for new ones that meet the standards.

The Ministry of Commerce of China took the lead in carrying out the work of replacing old electric bikes with new ones, which led to the prosperity of production and sales in the industry. During the Period, the progress of the electric bike trade-in program continued to accelerate, with coverage expanding continuously. Many provinces and cities, including Beijing, Tianjin, Hebei, and Shanxi, have responded positively and promoted the replacement of old electric bikes with new ones. The policy has been successful in guiding consumers to purchase qualified and safe electric bikes, accelerating industry consolidation and high-quality development.

*Market structure of lead-acid motive batteries remained stable*

In recent years, with the rapid development of green transportation in the PRC, the market demand for electric bikes and related sectors has remained relatively stable. Lead-acid motive batteries, as a type of motive battery, are widely used in electric bikes, and market demand has continued to grow. Lead-acid batteries offer a number of advantages, including high cost-effectiveness, safety, stability, versatile applications and a high recycling rate. Additionally, consumers of electric bikes, tricycles, and four-wheelers for the elderly tend to be more price-sensitive. Thanks to their cost advantage, lead-acid batteries maintain a decent share of the market. In addition, since lead-acid motive batteries have a two-year replacement cycle, the replacement market is huge, supported by stable demand.

## Business Review

### *Lead-acid motive battery business maintained steady growth*

Lead-acid motive batteries are the Group's primary products. Given their mature production technology, reliable performance and a high degree of compatibility, the batteries can meet the requirements of electric bikes, thereby holding a competitive edge in the electric bike market and accounting for a substantial share of the battery market in the PRC. With its outstanding technological strengths, high-quality products, comprehensive marketing channels and long-established brand reputation, the Group maintains a leading position in the lead-acid power battery industry. For the Period, revenue from sales of lead-acid motive batteries was approximately RMB13,210 million, accounting for approximately 48.5% of the Group's total revenue. Sales of electric bike batteries generated revenue of approximately RMB9,147 million, accounting for approximately 33.6% of the Group's total revenue. Revenue from sales of electric vehicle batteries and special-purpose electric vehicle batteries was approximately RMB4,063 million, representing approximately 14.9% of the Group's total revenue.

The Group also has a strategic focus on the field of graphene batteries and is continuously promoting product upgrades. As the first company to apply graphene technology to electric vehicle batteries, the Group has spared no effort to advance the application of this technology in batteries. As at 30 June 2025, the Group has obtained 39 related patents, making it a leading company in the industry to truly master the core technology of graphene batteries. During the Period, the Group has utilised the technology of high performance graphene, "CHILWEE" Yen-Black Gold Dalishen Battery, to be officially launched to the market, which drew much attention from its the industry. In addition, the Group is the only company in the industry to have the honor of collaborating with Nobel Prize winner and graphene pioneer Professor Andre Geim. Professor Geim's endorsement not only confirm the Group's breakthroughs in technological innovation, but also highlight the strengths of its products.

### *Lithium-ion battery business developed steadily*

Through the development and use of new materials, technologies and processes, the Group has obtained professional certifications such as the "National Torch Program Industrialisation Demonstration Project Certificate" for its lithium-ion battery project. Adhering to the multi-technology strategy and an approach that combines its own research and development ("R&D") efforts in cooperation with domestic and foreign universities and institutions, the Group has continued to improve the quality of its products and focus on developing new products with different characteristics in different areas of application. During the Period, sales revenue from lithium-ion battery products amounted to approximately RMB357 million.

### *Standardisation of renewable materials and nationwide recycling network*

The Group fully embraces extended producer responsibility. Leveraging its agents and primary sales network across the country, it led the launch of a pilot recycling control system covering major cities which adopted a “trade-in and reverse logistics” model. It established a standardised offline recycling and storage system that has enabled it to achieve nationwide coverage of a standardised recycling network and green development throughout the life cycle of its products.

Regarding management and control, integrating information on battery production, sales and recycling, transportation vehicles, collection points and centralised transfer points, and cross-regional transfers allows the Group to oversee the entire waste lead-acid battery circulation process. With the system’s data monitoring and control chain, the Group can trace the status of waste lead-acid batteries from source to destination and supervise responsibility along the way. This effectively prevents waste lead-acid batteries from ending up in the hands of unqualified units for treatment and disposal. The system can help reduce environmental risks and provide reliable data to government departments for policy formulation. The Group’s waste lead-acid battery recycling system has established recycling companies in Tianjin, Hebei, Shanghai, Shandong, Fujian, Guangxi and other provinces and cities, and has obtained “Hazardous Waste Business Licenses”. In accordance with environmental protection requirements, more than 65 centralised transfer points have been established in pilot provinces and cities.

### *Sales network boasts comprehensive coverage, brand influence continues to grow*

The Group has established a sales and distribution network across China to serve both primary and secondary markets. For primary markets, the Group maintains long-term cooperation partnerships with a number of leading electric bike manufacturers and has dedicated departments to provide all-round sales services to its major customers. For secondary markets, the Group has an extensive distribution network that covers all provinces and regions in the country, complemented by a national service hotline, which is part of its comprehensive sales service system that reaches customers on and offline, covers delivery to installation, and provides services from pre-sale to after-sale.

The Group will continue to adhere to its strategy of locating production facilities in regions close to its markets. Its facilities are situated in areas with high demand for lead-acid motive batteries, including Shandong, Jiangsu, Henan, Zhejiang, Anhui, Jiangxi and Hebei provinces in the PRC. This strategy aligns with the Group’s business objectives of “improving quality, reducing costs and increasing efficiency”, allowing it to improve operational efficiency while reducing storage and logistics costs.

In terms of marketing, the Group is guided by market demand and is committed to promoting product innovation, marketing innovation and service innovation. During the Period, the Group carried out a number of marketing activities, including participating in the 17th Shenzhen International Battery Technology Exchange Exhibition, where it fully showcased its recent scientific research achievements in new materials such as graphene, sodium, zinc and lithium. In terms of brand promotion, the Group has appointed well-known movie star Donnie Yen as its brand spokesperson for the 22nd consecutive year, continuing to deepen its brand influence.

As the Group grows bigger and stronger, it also integrates the concept of charity into its corporate culture, fulfilling its social responsibilities in a comprehensive and multidimensional manner. The Group continues to innovate its charity model and support disadvantaged groups in society. Throughout the Period, the Group has enthusiastically participated in social welfare and charitable causes, and has established a special charity fund to contribute our “CHILWEE” effort to social charity work. During the Period, the “Technology Leads New Energy to Light Up Students’ Green Electricity Dreams Charity Event”, which was jointly organised by the Group and the Social Work Department of Changxing County Party Committee, was officially launched. As an industry leader, the Group actively took on social responsibilities, carried out science popularisation activities, and disseminated new energy knowledge during the event.

#### *Industry leader consistently recognised by the market*

As a leading brand in the motive battery industry, the Group capitalises on its strong technological leadership, customer-centric service approach, product and service foundation, and brand value to continuously inject new meaning and value into its brand. Its high-quality development has earned industry recognition and helped fortify its leading position in the field. During the Period, the Group was once again listed in the “Top 500 Chinese Enterprises” (中國企業 500強), “Top 500 Chinese Privately Owned Enterprises” (中國民營企業500強), “Top 500 Privately Owned Enterprises in China’s Manufacturing Industry” (中國製造業民營企業500強) and “Fortune Top 500 Chinese Companies” (《財富》中國500強) lists, and it also claimed a place on other prestigious lists such as the “Top 500 Chinese Energy Enterprises (Group)” (中國能源企業(集團)500強), “Global Top 500 New Energy Enterprises” (全球新能源企業500強), “China’s Top 500 New Economy Enterprises” (中國新經濟企業500強) and “Top 500 Chinese Enterprise in Patent Strength” (中國企業專利實力500強). With its brand influence, the Group was also featured in the “China Brand Value Evaluation Information List” (中國品牌價值評價信息榜).

#### *Commitment to driving innovation and maintaining corporate competitiveness*

Technological innovation is key to gaining a competitive advantage in business. With the firm belief that technological innovation is the primary driver of development, the Group has continued to expand its talent pool, enhance its R&D capabilities and demonstrate its outstanding strengths and industry leadership through its high-end products under the “CHILWEE” brand. During the Period, the Group invested approximately RMB658 million on R&D, equivalent to approximately 2.4% of its total revenue.



As at 30 June 2025, the Group employed more than 30 renowned experts from inside and outside the country, which is a testament to its competitiveness in attracting talent. The Group is also a National Model Enterprise of Technological Innovation and a National Model Enterprise of Intellectual Property. It has established a range of R&D facilities, 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, as well as a number of technology R&D centers overseas.

### **Future Development Strategies**

The 2025 National People's Congress and the Chinese People's Political Consultative Conference included "new quality productivity" in the government work report, indicating a technology-driven development path for the industry. In the future, the Group will remain firmly focused on technological innovation, continue to seize opportunities brought about by cutting-edge technology, and follow a path of sustainable and high-quality development. It will explore diversified innovation models, focus on "new technologies, new materials, and new products", and build an industrial upgrade system through systematic breakthroughs in materials innovation, intelligent manufacturing, and ecological collaboration, continuing to write new chapters. In addition, the Group will continue to pursue green development and vigorously promote the construction of "Zero Carbon Chaowei" and "Smart Chaowei", while continuously optimising its strategic layout, expanding its overseas markets, building a global new energy platform, and promoting a new stage of high-quality development with global vision and standards.

In the future, the Group will continue to leverage its core technological innovation advantages, adhere to a customer demand-oriented approach, and keep excellent products and services as its foundation. It will uphold its corporate mission of "advocating green energy and improving human life", contribute to the development of the new energy industry, and jointly promote the progress of human life.

### **Financial Review**

#### *Revenue*

The Group's revenue for the Period amounted to approximately RMB27,257,243,000, representing an increase of approximately 28.4% from approximately RMB21,236,322,000 for the corresponding period in 2024. The increase in revenue was mainly due to an increase in sales of renewable materials.



### *Gross profit*

The Group's gross profit for the Period amounted to approximately RMB1,786,034,000, representing an increase of approximately 10.6% from approximately RMB1,614,208,000 for the corresponding period in 2024. The Group's gross profit margin for the Period was approximately 6.6% (the corresponding period of 2024: approximately 7.6%). The decrease in gross profit margin was primarily due to an increase in the revenue from renewable materials which has a relatively lower gross profit margin.

### *Other income*

The Group's other income for the Period amounted to approximately RMB258,465,000, representing a decrease of approximately 33.9% compared to approximately RMB391,175,000 for the corresponding period in 2024. The decline was mainly due to a decrease in the government grants received during the Period.

### *Distribution and selling expenses*

The Group's distribution and selling expenses for the Period amounted to approximately RMB437,875,000, representing a decrease of approximately 1.1% from approximately RMB442,537,000 for the corresponding period in 2024, which was primarily attributable to a decrease in advertising and transportation expenses during the Period.

### *Administrative expenses*

The Group's administrative expenses for the Period were approximately RMB281,976,000, representing a decrease of approximately 11.3% from approximately RMB317,946,000 for the corresponding period in 2024, which was primarily due to a decrease in consultation fees and depreciation expenses incurred during the Period.

### *R&D expenses*

The Group's R&D expenses for the Period amounted to approximately RMB657,715,000, representing an increase of approximately 18.3% from approximately RMB555,867,000 for the corresponding period in 2024, which was primarily due to an increase in R&D expenditure on lead-acid motive batteries and other new technology products during the Period.

### *Finance costs*

The Group's finance costs for the Period increased by approximately 6.0% from approximately RMB230,246,000 for the corresponding period of 2024 to approximately RMB243,952,000, which was primarily due to an increase in interest expenses of bank borrowings during the Period.

### *Profit before tax*

For the above reasons, the Group's profit before tax for the Period decreased by approximately 10.1% to approximately RMB367,239,000 (the corresponding period of 2024: approximately RMB408,317,000).

### *Taxation*

The Group's income tax expenses for the Period decreased by approximately 4.9% to approximately RMB91,040,000 (the corresponding period of 2024: approximately RMB95,724,000). The effective tax rate for the Period was approximately 24.8% compared to approximately 23.4% for the corresponding period in 2024. The increase in effective tax rate in the Period was mainly due to the fact that subsidiaries with higher tax rate contributed to a greater portion of profit during the Period.

### *Profit attributable to owners of the Company*

Due to the reasons above, the profit attributable to owners of the Company for the Period amounted to approximately RMB205,169,000, representing an increase of approximately 0.9%, from approximately RMB203,355,000 for the corresponding period in 2024.

### *Liquidity and financial resources*

As at 30 June 2025, the Group had net current assets of approximately RMB4,238,035,000 (31 December 2024: approximately RMB3,662,836,000), of which cash and bank balances were approximately RMB3,828,789,000 (31 December 2024: approximately RMB3,612,035,000). Net debt, including borrowings, lease liabilities and deducting cash and bank deposits (including restricted bank deposits), were approximately RMB2,350,856,000 (31 December 2024: approximately RMB2,559,471,000). The borrowings were mainly used to finance capital expenditure, the purchases of raw materials and operations of the Group. They were denominated in RMB, USD or HKD, of which approximately RMB2,275,133,000 bore interests at fixed rates and approximately RMB7,831,133,000 were repayable within 1 year. The Group adopted 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 30 June 2025, the Group's current ratio (current assets/current liabilities) was approximately 1.30 (31 December 2024: approximately 1.27) and gearing ratio (net debt/total assets) was approximately 9.6% (31 December 2024: approximately 10.7%). 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.

### *Pledge of assets*

At the end of the Period, 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 reporting periods is as follows:

	<b>30 June 2025 RMB'000 (unaudited)</b>	<b>31 December 2024 RMB'000 (audited)</b>
Buildings	<b>353,036</b>	367,491
Right-of-use assets	<b>74,681</b>	147,478
Receivables at FVTOCI	<b>900,467</b>	2,033,792
Restricted bank deposits	<b>4,224,550</b>	3,277,050
Inventory	<b>50,355</b>	—

### *Contingent liabilities*

The Group had no contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

## **HUMAN RESOURCES AND EMPLOYEES' REMUNERATION**

As at 30 June 2025, the Group employed a total of 13,770 (30 June 2024: 15,654) staff members in the PRC and Hong Kong. During the Period, the total cost of employees amounted to approximately RMB866,474,000 (the corresponding period of 2024: approximately RMB822,520,000). The Group sought to further strengthen staff training by offering focused training programs and study tours to management and professional technical personnel, and disseminating the latest government policy information on the lead-acid motive battery industry to all staff within the Period. 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 to their work and to leverage their capabilities in serving its customers.

## **SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There were no significant investments held as at 30 June 2025, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, 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 (including sale of treasury shares) during the Period.

As at 30 June 2025, the number of treasury shares held by the Company is nil.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance in the interests of its 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") throughout the Period, except for 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 its Directors, senior management and relevant employees (who, because of their positions in the Company, are likely to be in possession of inside information). The code is no less stringent 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 Period.

## **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, 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 and 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 unaudited results of the Group for the Period. The Audit Committee considered that the unaudited consolidated results of the Group for the Period 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.

## **INTERIM DIVIDEND**

The Board resolved not to declare the payment of an interim dividend for the Period.

## **GENERAL INFORMATION**

The Group's unaudited condensed consolidated financial statements for the Period have been reviewed by the Company's auditor, Ernst & Young, in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

## **PUBLICATION OF INTERIM REPORT**

The full text of the Company's 2025 interim report for the Period will be dispatched to the shareholders of the Company (if request) and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chaowei.com.hk](http://www.chaowei.com.hk)), respectively, in due course.

## APPRECIATION

The Board would like to take this opportunity to express gratitude to the shareholders of the Company and the public for their continued support and to all staff for their hard work and commitment.

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

Changxing, Zhejiang Province, the PRC, 28 August 2025

*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.*