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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the Year was approximately RMB54,400 million (2024: approximately RMB50,341 million), representing an increase of approximately 8.1% from last year.
- Gross profit for the Year was approximately RMB3,657 million (2024: approximately RMB3,489 million), representing an increase of approximately 4.8% from last year.
- Profit attributable to the owners of the Company for the Year was approximately RMB361 million (2024: approximately RMB290 million), representing an increase of approximately 24.7% from last year.
- Basic earnings per share for the Year amounted to RMB0.33 (2024: RMB0.26).
- The Board proposed to declare a final dividend of HKD0.056 per share for the Year (2024: HKD0.043), which will be subject to shareholders' approval at the forthcoming annual general meeting, representing a total distribution of approximately HKD61.8 million (2024: approximately HKD47.5 million) for the Year.

#### **ANNUAL 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 audited financial results and financial position of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 (the "Year") together with the comparative figures for the year ended 31 December 2024. 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 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	<b>54,400,453</b>	50,341,015
Cost of sales		<b>(50,743,741)</b>	(46,851,559)
<b>Gross profit</b>		<b>3,656,712</b>	3,489,456
Other income		<b>614,456</b>	697,844
Other gains and other losses		<b>(63,434)</b>	(180,697)
Distribution and selling expenses		<b>(916,529)</b>	(946,320)
Administrative expenses		<b>(633,358)</b>	(611,383)
Research and development expenses		<b>(1,408,013)</b>	(1,378,749)
Impairment losses under expected credit loss model, net of reversal		<b>(219,823)</b>	(121,745)
Finance costs	4	<b>(410,735)</b>	(417,760)
Share of result of joint ventures		<b>857</b>	(48)
Share of result of associates		<b>(967)</b>	469
Profit before tax	5	<b>619,166</b>	531,067
Income tax expense	6	<b>(103,141)</b>	(106,157)
<b>Profit for the year</b>		<b>516,025</b>	424,910
<b>Other comprehensive income (loss):</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>(533)</b>	380
Fair value gain/(loss) on receivables at fair value through other comprehensive income ("FVTOCI")		<b>1,071</b>	(4,565)
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value loss on equity instruments at FVTOCI		<b>(6,639)</b>	—
<b>Other comprehensive loss for the year, net of income tax</b>		<b>(6,101)</b>	(4,185)
<b>Total comprehensive income for the year</b>		<b>509,924</b>	420,725
Profit for the year attributable to:			
Owners of the Company		<b>360,917</b>	289,507
Non-controlling interests		<b>155,108</b>	135,403
		<b>516,025</b>	424,910
Total comprehensive income for the year attributable to:			
Owners of the Company		<b>354,816</b>	285,322
Non-controlling interests		<b>155,108</b>	135,403
		<b>509,924</b>	420,725
Earnings per share			
— Basic and diluted (RMB)	7	<b>0.33</b>	0.26

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>Notes</i>	<b>2025</b>	2024
		<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>4,325,231</b>	4,607,263
Right-of-use assets		<b>576,767</b>	636,969
Investment properties		<b>1,038</b>	1,581
Goodwill		<b>49,447</b>	49,447
Intangible assets		<b>89,834</b>	66,382
Interests in joint ventures		<b>51,591</b>	58,942
Interests in associates		<b>57,471</b>	48,438
Equity instruments at FVTOCI		<b>293,546</b>	159,170
Loan receivables		<b>50,000</b>	50,000
Deferred tax assets		<b>533,377</b>	544,124
Deposits paid for acquisition of property, plant and equipment		<b>330,178</b>	289,998
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>6,358,480</b>	6,512,314
<b>CURRENT ASSETS</b>			
Inventories		<b>4,152,858</b>	4,347,571
Loan receivables		<b>27,000</b>	11,608
Trade receivables	9	<b>3,038,388</b>	2,577,941
Receivables at FVTOCI	10	<b>2,657,297</b>	2,418,960
Prepayments, other receivables and other assets		<b>1,405,620</b>	1,038,984
Financial assets at fair value through profit or loss (“FVTPL”)		<b>91,576</b>	31,470
Derivative financial instruments		<b>35,167</b>	5,128
Amounts due from related parties		<b>8,797</b>	11,433
Restricted bank deposits		<b>3,360,660</b>	3,277,050
Bank balances and cash		<b>3,752,375</b>	3,612,035
		<hr/>	<hr/>
<b>Total current assets</b>		<b>18,529,738</b>	17,332,180

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
*AT 31 DECEMBER 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Derivative financial instruments		22,478	7,744
Trade payables	<i>11</i>	1,969,796	1,616,192
Bills payable	<i>12</i>	1,959,228	1,588,565
Other payables and accruals		1,162,827	1,394,826
Contract liabilities		1,013,352	1,222,689
Warranty provision		566,084	538,858
Tax liabilities		45,654	64,314
Lease liabilities		2,913	5,590
Amounts due to related parties		24,052	32,722
Borrowings		7,562,590	7,197,844
<b>Total current liabilities</b>		<u>14,328,974</u>	<u>13,669,344</u>
<b>NET CURRENT ASSETS</b>		<u>4,200,764</u>	<u>3,662,836</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,559,244</u>	<u>10,175,150</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		74,704	74,704
Reserves		6,575,276	6,296,162
Equity attributable to owners of the Company		6,649,980	6,370,866
Non-controlling interests		1,365,682	1,279,198
<b>TOTAL EQUITY</b>		<u>8,015,662</u>	<u>7,650,064</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		9,000	7,500
Lease liabilities		1,621	2,346
Borrowings		2,304,423	2,242,776
Deferred income		228,538	272,464
		<u>2,543,582</u>	<u>2,525,086</u>
		<u>10,559,244</u>	<u>10,175,150</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. GENERAL INFORMATION

Chaowei Power Holdings Limited (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 with effect from 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 (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”)

#### 2.1 Changes in accounting policies and disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

The application of amendments to IAS 21 in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 2.2 Issued but not yet effective IFRS Accounting Standards

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial instruments</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
Amendments to IFRS Accounting Standards — Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> <sup>1</sup>

- 1 Effective for annual periods beginning on or after January 1, 2026
- 2 Effective for annual/reporting periods beginning on or after January 1, 2027
- 3 No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

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

### 3. REVENUE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Types of goods</b>		
Lead-acid motive batteries		
Electric bike battery	19,957,370	18,479,431
Electric vehicle battery and special-purpose electric vehicle battery	8,858,288	9,193,895
Li-ion batteries	625,142	263,824
Renewable materials	24,959,653	22,403,865
	<u>54,400,453</u>	<u>50,341,015</u>
<b>Total</b>	<b>54,400,453</b>	<b>50,341,015</b>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Timing of revenue recognition</b>		
At a point in time	54,400,453	50,341,015

#### (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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on:		
Bank borrowings	410,512	427,697
Lease liabilities	223	572
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Total borrowing costs	410,735	428,269
Less: amounts capitalised in construction in progress	–	(10,509)
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	<b>410,735</b>	<b>417,760</b>
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Borrowing costs capitalised during the year ended 31 December 2025 arose on the general borrowing pool and are calculated by applying a capitalisation rate of nil (2024: 3.88%) per annum to expenditure on qualifying assets.

#### 5. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and other benefits costs	1,628,874	1,575,950
Retirement benefits scheme contributions ( <i>note i</i> )	113,749	82,189
Equity-settled share based payments	4,534	–
Labour cost ( <i>note ii</i> )	74,780	122,794
	<hr/>	<hr/>
Total staff costs (including directors' emoluments)	1,821,937	1,780,933
	<hr/>	<hr/>
Amortisation of intangible assets ( <i>note iii</i> )	49,592	52,256
Depreciation of property, plant and equipment	510,453	601,419
	<hr/>	<hr/>
Total depreciation and amortisation	560,045	653,675
	<hr/>	<hr/>
Depreciation of investment properties	543	543
Depreciation of right-of-use assets	16,512	19,420
Inventories write down	–	1,800
Cost of inventories recognised as an expense	50,743,741	46,849,759
Auditors' remuneration	3,800	3,600
Research and development costs recognised as an expense	1,408,013	1,378,749
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Notes:

- (i) At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension scheme(s) in future years (2024: 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
— PRC enterprise income tax	94,960	96,899
— Under provision in prior years	2,460	987
Deferred tax credit	5,721	8,271
	<u>103,141</u>	<u>106,157</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”, 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 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 2025 (2024: 25%). The Company and its subsidiaries incorporated in the British Virgin Islands, Hong Kong and other countries had no assessable profits during the year ended 31 December 2025 (2024: 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 2025, withholding tax on intra-group dividend amounting to approximately RMB8,754,000 (2024: RMB7,142,000) 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:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit before tax	<b>619,166</b>	531,067
Tax at the PRC's statutory income tax rate of 25%	<b>154,792</b>	132,767
Tax effect of income tax deduction granted to subsidiaries in research and development expenditure	<b>(115,678)</b>	(131,824)
Tax effect of expenses not deductible for tax purpose	<b>27,457</b>	39,825
Effect of preferential tax rates on income of certain subsidiaries	<b>(63,326)</b>	(59,268)
Tax effect of tax losses and deductible temporary differences not recognised	<b>94,281</b>	129,290
Utilisation of tax losses and deductible temporary differences previously not recognised	<b>(5,627)</b>	(9,539)
Tax effect of income not taxable	–	(3,118)
Tax effect of share of result of associates	<b>242</b>	(117)
Tax effect of share of result of joint ventures	<b>(214)</b>	12
Withholding tax on undistributed profits of PRC subsidiaries	<b>8,754</b>	7,142
Under provision in prior years	<b>2,460</b>	987
	<b>103,141</b>	106,157
Income tax expense for the year	<b>103,141</b>	106,157

## 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:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<b>360,917</b>	289,507
	<b>2025</b>	2024
	<b>'000</b>	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>1,104,127</b>	1,104,127

There was no outstanding share option of the Company that have dilutive effect to the Company's earnings per share as at 31 December 2025 (2024: nil).

## 8. DIVIDENDS

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Dividends declared for distribution during the year:		
2024 final dividend — HKD0.043 per share	47,477	—
2023 final dividend — HKD0.053 per share	<u>—</u>	<u>58,519</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HKD0.056 per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

## 9. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables — contracts with customers	3,985,813	3,308,520
Less: allowance for credit losses	<u>(947,425)</u>	<u>(730,579)</u>
	<u><b>3,038,388</b></u>	<u><b>2,577,941</b></u>

As at 1 January 2024, carrying amount of trade receivables from contracts with customers amounted to RMB2,199,567,000 and credit loss allowance amounted to RMB638,163,000.

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–45 days	1,256,015	1,304,205
46–90 days	277,181	345,114
91–180 days	333,135	568,424
181–365 days	940,366	243,805
Over 1 year	<u>231,691</u>	<u>116,393</u>
	<u><b>3,038,388</b></u>	<u><b>2,577,941</b></u>

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 2025, 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 RMB2,661,295,000 and RMB582,400,000 (2024: RMB3,084,256,000 and RMB369,231,000), 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.

## 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 (2024: 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0–30 days	983,094	958,901
31–90 days	600,005	348,006
91–180 days	194,843	165,659
181–365 days	57,449	27,178
1–2 years	19,192	32,605
Over 2 years	115,213	83,843
	<u>1,969,796</u>	<u>1,616,192</u>

## 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:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0–90 days	<b>715,758</b>	103,965
91–180 days	<b>1,048,470</b>	617,000
181–360 days	<b>195,000</b>	867,600
	<b><u>1,959,228</u></b>	<u>1,588,565</u>

## 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, amid the transformation of the global energy landscape, the Group continuously optimised its industrial layout, and maintained technological innovation as its growth engine, thereby advancing along a path of high-quality sustainable development. During the Year, the Group recorded revenue of approximately RMB54,400 million, with profit attributable to owners of the Company reaching approximately RMB361 million.

The Group has upheld its market- and customer-oriented principles, while continuously advancing upgrades in products, channels, brands and services, further consolidating its market position. Its comprehensive strength and market presence has been consistently recognised by the market and authoritative institutions. The Group continued to rank among the “Top 500 Chinese Enterprises” (中國企業500強), “Top 500 Chinese Private-owned Enterprises” (中國民營企業500強), “Top 500 Chinese Enterprises in Manufacturing Industry” (中國製造業企業500強) and “Top 500 Private-owned Enterprises in China’s Manufacturing Industry” (中國製造業民營企業500強). It has also been included in prestigious lists such as the “Top 500 Chinese Energy Enterprises” (中國能源企業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 “Top 500 Chinese Enterprises in Patent Strength” (中國企業專利實力500強).

During the Year, the electric bicycle industry in the People’s Republic of China (the “PRC”) entered a critical stage of policy refinement and standard upgrading. The new “Safety Technical Specifications for Electric Bicycles” (《電動自行車安全技術規範》) (the “New National Standard”) officially took effect on 1 September 2025. Together with the extension of the electric bicycle trade-in policy by the Ministry of Commerce of the PRC and other relevant authorities, this has established a dual-wheel-drive framework of “standard guidance and consumption stimulation”. The New National Standard has further raised industry thresholds, while the trade-in policy has effectively unleashed demand for stock replacement and incremental purchases. These two favorable policies, coupled with the continuous expansion of commercial applications such as e-commerce logistics and urban delivery services, have fueled sustained growth in demand for lead-acid motive batteries and accelerated industry consolidation, creating broader development opportunities for the Group as a leading enterprise in the lead-acid motive battery industry. Meanwhile, driven by the rapid development and strong demand for new-type batteries such as lithium batteries and sodium batteries during the Year, rapidly rising sodium battery shipments and breakthroughs in sodium battery standardisation have created development opportunities for the Group’s new-type battery business.

During the Year, the Group maintained its leadership in the lead-acid motive battery industry through outstanding technological strengths and product quality, supported by well-established market channels and a strong brand. With R&D and innovation as its core growth engine, the Group has focused on its primary business of lead-acid motive batteries while simultaneously pursuing the development of multiple battery technology pathways, successfully establishing a new industrial ecosystem. Backed by strong innovation capabilities, the Group has successively launched a series of innovative products, including all-solid-state sodium batteries, sodium-ion batteries and graphene-technology batteries. It has also achieved key breakthroughs and phased results in a variety of new battery technology fields. Furthermore, the Group has accelerated the expansion of its energy storage segment. The world's first demonstration project for mobile energy storage vehicles at oilfield sites has commenced operations; the Shandong Yuanwang lead-carbon energy storage project has been successfully connected to the grid; and the independently developed solid-state sodium-salt energy storage system has been recognised as a provincial-level advanced technological innovation achievement, establishing multiple benchmark demonstration projects across various technology pathways. Through multidimensional innovative initiatives, it has further strengthened its core competitiveness and market leadership.

On behalf of the Board and the Group, I would like to express my sincere gratitude to all shareholders, customers and business partners for their long-standing trust and support. I would also like to thank the Board, the management and all employees for their outstanding contributions. As we enter 2026, the Group will continue to focus on technological innovation while strengthening its strategic layout. We will actively expand into overseas markets and strive to build a global new energy platform. The Group will continue to pursue the ambitious mission of “advocating green energy and perfecting human life” (倡導綠色能源，完美人類生活). With the courage of pioneers, the wisdom of innovators and the commitment of doers, we will write a glorious new chapter in the sustainable development of “CHILWEE”.

## **MANAGEMENT DISCUSSION & ANALYSIS**

The Group is principally engaged in the manufacturing and sale 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 around 8.1% to approximately RMB54,400 million (2024: approximately RMB50,341 million). Its gross profit increased by around 4.8% to approximately RMB3,657 million (2024: approximately RMB3,489 million) and the overall gross profit margin was approximately 6.7% (2024: approximately 6.9%). Profit attributable to owners of the Company was approximately RMB361 million (2024: approximately RMB290 million), representing a year-on-year increase of 24.7%. Basic earnings per share were RMB0.33 (2024: RMB0.26).

## **Industry Review**

*Electric bike market continued to expand, with growth in instant retail sector driving industry development*

Electric bikes are an important mode of short-distance transportation in the PRC. In recent years, the intelligent upgrading of electric bikes has seen them evolve from basic commuting tools to tech-oriented lifestyle products. This shift has broadened the consumer base, and coupled with their eco-friendly attributes, electric bikes have become increasingly popular in the market. Furthermore, the expansion of the PRC's instant retail sector, which is characterised by rapid delivery services and immediate product availability, has also driven sustained growth in demand for electric bikes. According to the Instant Retail Industry Development Report (2025) released by the Chinese Academy of International Trade and Economic Cooperation, the instant retail market in the PRC is expected to exceed RMB1 trillion in 2026 and reach RMB2 trillion by 2030. This means that during the 15th Five-Year Plan period, the instant retail market in the PRC is expected to surpass two RMB1 trillion thresholds, with an average annual growth rate of approximately 12%, driving the development of instant delivery services and boosting demand for electric bikes. Meanwhile, the cycling boom has also stimulated the consumption of electric bikes. As an intelligent upgrade to traditional bikes, they are leading a new trend in the cycling sector, while providing long-term support for the associated battery market. According to data from the China Cycling Association, electric bike ownership in the PRC reached approximately 380 million units by the end of 2025.

*Policy regulation raises safety standards as the full implementation of new national standards accelerates industry consolidation*

With the expansion of the electric bike market, regulatory authorities have become highly concerned about product quality and safety incidents. In terms of policy, the New National Standard was fully implemented in December 2025, introducing a mutual recognition and coordination mechanism of “One Vehicle, One Battery, One Charger, One Code”. It enhances anti-tampering technologies, imposes stricter requirements on vehicle structure, waterproof safety and battery traceability, and strengthens restrictions on non-compliant charging practices. The implementation of the New National Standard has driven an all-round transformation in the electric bike transportation sector, steering the entire industry toward safer and more standardised development. In addition to driving industry-wide upgrades, the New National Standard has generated huge replacement demand in the existing market and injected new growth momentum into the entire industrial chain.

### *Lead-acid motive battery market share remained stable*

As an important segment of the lead-acid battery market, lead-acid motive batteries are widely used in the electric bike sector. Benefiting from stable market demand for electric bikes, demand for lead-acid motive batteries continues to grow. Lead-acid motive batteries offer advantages such as high cost-effectiveness, superior safety and stability, wide applicability and high recycling efficiency. Coupled with the price sensitivity of consumers of electric bikes, electric tricycles and electric four-wheelers for the elderly, these factors will continue to support stable market share and sales volume. In addition, the two-year replacement cycle of lead-acid motive batteries presents a huge replacement market with steady demand.

### *Rapid development of new-type batteries and strong market demand for lithium and sodium batteries*

At present, new-type batteries are in a golden period of rapid development, and the market outlook for lithium batteries, sodium batteries and other products remains promising. In 2025, global lithium battery shipments reached 2,280.5 GWh, achieving a year-on-year increase of 47.6% with a significantly accelerated growth rate. According to EVTank data, China's lithium-ion battery shipments reached 1,888.6 GWh in 2025, achieving a year-on-year increase of 55.5%. On the sodium battery front, over the past three years, competent authorities including the National Energy Administration, National Development and Reform Commission, and the Ministry of Industry and Information Technology of the PRC have intensively introduced series of policy documents. Policy orientation has gradually evolved from early-stage strategic guidance to specific measures for technical breakthroughs and industrialisation. As an important representative of "new-type batteries", sodium batteries have been clearly positioned as one of the key technical routes to safeguard national energy security, develop new-type energy storage systems and foster strategic emerging industries. In March 2025, the world's first international standard for sodium-ion batteries, "IEC 62933-5-4:2025 Safety Requirements for Sodium-ion Batteries and Battery Packs for Electrical Energy Storage Systems", led by China, was officially issued, making a breakthrough in the standardisation of sodium batteries.

## **Business Review**

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

Lead-acid motive batteries are the Group's primary products. Given their mature technology, reliable performance, and a high degree of compatibility, these batteries are well suited to meet the requirements of using electric bikes, thereby holding a competitive edge in the electric bike market. Currently, lead-acid motive batteries hold a substantial share of the battery market in the PRC. Thanks to its strong technological capabilities and superior product quality, as well as its established market channels and a strong brand reputation, the Group has been able to maintain leadership in the lead-acid motive batteries industry. During the Year, revenue from sales of lead-acid motive batteries was approximately RMB28,816 million, accounting for around 53.0% of the Group's total revenue. Sales revenue from electric bike batteries amounted to approximately RMB19,957 million, accounting for around 36.7% of the Group's total revenue. Revenue from sales of electric vehicle batteries and special-purpose electric vehicle batteries was approximately RMB8,858 million, constituting around 16.3% of the Group's total revenue.

Meanwhile, the Group has continuously promoted product upgrading and became the first company to apply graphene technology to electric vehicle batteries. The Group has obtained 39 relevant patents, establishing itself as an industry leader with mastery of core graphene battery technology. In addition, the signing of Nobel Prize winner and graphene pioneer Professor Andre Geim further highlights the Group's leading status in the graphene battery sector. Simultaneously, the Group successfully launched the "CHILWEE" Yen-Black Gold Dalishen Battery — which features high-energy graphene cathode technology — globally, underscoring its technological and product advantages.

### *Lithium-ion battery business continued to record stable growth*

Through the development and application of new materials, technologies and processes, the Group's lithium-ion battery project has received professional certifications such as the "Certificate of Industrialisation Demonstration Project under the National Torch Program" (國家火炬計劃產業化示範項目證書). Adhering to its multi-technology strategy and continuously building on its in-house research and development ("R&D") efforts and collaborations with international and domestic institutions and universities, the Group has continued to improve product quality while focusing on developing new products with distinct features for various areas of application. During the Year, the Group's new products, including parking lithium batteries and the "Xuanjia" dual-series lithium batteries, were fully launched on the market. The all-solid-state dry-process lithium battery project overcame key technical bottlenecks, and the lithium battery business developed steadily. In addition, the Group further standardised the quality control system for the lithium battery market to comprehensively improve product quality and customer satisfaction. The "Sunshine Inspection" campaign was

launched simultaneously for the Group’s production base and channel markets, and a multi-department collaborative processing mechanism was established. Following the principles of openness, fairness, objectivity, transparency and efficiency, the campaign has achieved remarkable results in quality control. During the Year, sales revenue from lithium-ion battery products amounted to approximately RMB625 million.

*Proactive layout in cutting-edge material systems with technological innovation driving the development of innovative sodium battery business*

During the Year, the Group also made a number of achievements in the sodium battery industry. In September 2025, the Group officially launched its brand-new “Chaowei Sodium Battery” product, setting a milestone for China’s sodium battery technology and attracting high attention across the industry. In October of the same year, the Group held a grand commencement ceremony for the sodium-ion battery hard carbon anode material project. The commissioning of the project marks another achievement in the Group’s development of the sodium-ion battery industrial ecosystem, which further consolidates the Group’s core competitive advantages in the next-generation power battery sector. Upon full production, the project is expected to achieve an annual output of 30,000 tons of sodium-ion battery hard carbon anode materials, driving the coordinated development of the upstream and downstream industrial chains and promoting the clustering and extension of the new energy industry in the region. In addition, the Group has achieved multiple innovative breakthroughs in high-sodium-ion-conductivity, high-strength and stable ceramic solid electrolyte materials, accumulating a total of seven invention patents and eight utility model patents. These breakthroughs address industry-wide challenges of performance degradation and high safety risks for conventional batteries under harsh conditions, such as extreme cold and high temperatures, and have successfully led to the development of an intrinsically safe solid-state sodium-salt energy storage system. This technology was selected for the “2025 List of Advanced Technology Innovation Achievements of Zhejiang Province” (2025年浙江省先進技術創新成果). Building upon sustained technological advancements and consistently reliable product performance, the Group’s sodium battery products have gained enduring customer recognition.

*Accelerated expansion of the energy storage segment in line with national policy guidance*

Against the backdrop of China’s “Dual Carbon” strategy and the policy of vigorously developing new energy storage, the “Wellsite Mobile Energy Storage Vehicle Power Supply Demonstration Project” jointly developed by the Group successfully commenced operations during the Year. The project sets a precedent by pioneering the application of mobile energy storage systems across the entire spectrum of oilfield drilling teams, achieving a continuous, stable and uninterrupted power supply. The Group’s self-developed mobile energy storage vehicle is equipped with advanced lithium battery energy storage technology, a high-efficiency energy conversion system and a dedicated vehicle-mounted transportation system. It is expected to significantly reduce energy costs

compared with traditional diesel power generation, setting a benchmark for green energy supply in oilfield operations. In addition, the Group's "Shandong Yuanwang Energy Storage Project" was successfully connected to the grid. Adopting the Group's self-developed lead-carbon energy storage technology, the project combines the advantages of lead-acid batteries and supercapacitors, resulting in significant cost savings and strong environmental adaptability.

In recent years, the Group's R&D team has focused on the innovation of intrinsically safe solid-state sodium-salt energy storage technology and made remarkable progress. The "Extreme Condition Resistant and Intrinsically High-Safety Solid-State Sodium-Salt Energy Storage System" independently developed by the Group's subsidiary was successfully selected for the "2025 List of Advanced Technology Innovation Achievements of Zhejiang Province" (2025年浙江省先進技術創新成果) issued by the Zhejiang Provincial Department of Economy and Information Technology of the PRC. This not only marks a technological breakthrough for the project but also highlights industry recognition in promoting high-safety and high-efficiency energy storage solutions. The Group will continue to empower the development of its energy storage business through technological innovation and accelerate its expansion in the energy storage sector.

#### *Standardised reusable materials and nationwide recycling network coverage*

The Group has piloted a recycling management system in major cities across the country. By establishing a standardised recycling and storage system, the Group aims to achieve full coverage of a national standardised recycling network and promote the green development of the full lifecycle of products. At the management and control level, the Group implements real-time monitoring of the transfer process across battery production, sales, recycling, transportation and information network nodes. This enables tracing from "source to destination" and ensures "supervision accountability." It effectively prevents waste lead-acid batteries from being transferred to unqualified entities for treatment and disposal, thereby reducing environmental risks. The Group has established subsidiary recycling companies for lead-acid batteries in various provinces and cities, including Tianjin, Hebei, Shanghai, Shandong, Fujian and Guangxi, and has obtained "Hazardous Waste Business Licenses" (《危險廢物經營許可證》) in various provinces and cities such as Guangxi, Zhejiang and Shanghai. In accordance with environmental protection requirements, more than 65 transfer stations have been set up in pilot provinces and cities.

### *Comprehensive sales network coverage bolstered brand influence*

The Group has a sales and distribution network spanning the entire PRC that serves both primary and secondary markets. In primary markets, the Group has established long-term cooperative partnerships with several leading electric bike manufacturers and has dedicated departments that provide comprehensive sales services to major customers. In secondary markets, it boasts an extensive distribution network that covers all provinces and regions in the country, supported by a national service hotline. The Group's comprehensive sales service system supports customers both online and offline, covering everything from delivery and installation to pre-sales and after-sales services.

The Group will continue to implement its layout strategy of locating production facilities near its markets. In line with the operational goal of “enhancing quality, reducing costs, and improving efficiency”, its production facilities are strategically positioned in regions with higher demand for lead-acid motive batteries, including Shandong, Jiangsu, Henan, Zhejiang, Anhui, Jiangxi and Hebei provinces in the PRC. This allows the Group to improve operational efficiency while reducing storage and logistics costs.

In terms of marketing, during the Year, the Group successfully held the first “CHILWEE Battery Group Buying Festival”, staging a live-stream ordering event centered on “substantial policy incentives, promotional resources and brand empowerment”. This event exemplified the Group's innovation in e-commerce promotion and effectively raised brand exposure. As for brand promotion, the Group has engaged renowned movie star Mr. Donnie Yen Chi-tan as its brand ambassador for the 19th consecutive year, further deepening its brand influence.

### *Industry-leading, multi-award-winning brand with charity and public welfare rooted in corporate culture*

As a leading brand in the motive battery industry, the Group builds on its strong technological leadership, customer-centric service approach, robust 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 position as an industry leader. During the Year, the Group was once again included in the “Top 500 Chinese Enterprises” (中國企業500強), “Top 500 Chinese Private-owned Enterprises” (中國民營企業500強), “Top 500 Chinese Enterprises in Manufacturing Industry” (中國製造業企業500強), “Top 500 Private-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. It also featured in other prestigious lists such as the “Top 500 Chinese Energy Enterprises” (中國能源企業500強), “Global Top 500 New Energy Enterprises” (全球新能源企業500強) and “Top 500 Chinese Enterprise in Patent Strength” (中國企業專利實力500強).

While consolidating its business foundation, the Group integrates the concept of charity into its corporate culture, fulfilling its social responsibilities in a comprehensive, multidimensional manner. The Group supports disadvantaged groups in society. It actively participates in social welfare and charitable causes, and has established a special charity fund to contribute its “CHILWEE” strength to social welfare initiatives. During the Year, the Group co-hosted the “Technology Leads New Energy to Light Up Students’ Green Electricity Dreams Charity Event”. As an industry leader, the Group shouldered its social responsibilities by conducting science outreach activities and disseminating new energy knowledge during the event. The Group was awarded the title of “National Advanced Collective for Caring for the Next Generation”. In addition, its public welfare project “Searching for Missing Children” received the “Yangtze River Delta Public Welfare Gold Award”, demonstrating its commitment to corporate responsibility.

### *Commitment to driving innovation and leading industry progress*

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 Year, the Group invested approximately RMB1,408 million in R&D, equivalent to around 2.6% of its total revenue.

As at 31 December 2025, the Group employed more than 30 renowned experts from inside and outside the country, highlighting 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 postdoctoral scientific research workstation, and a national environmental protection lead-acid battery production and recycling pollution prevention engineering technology center. It has also established a number of technology R&D centers overseas.

### *Future Development Strategies*

The year 2026 marks the start of the 15th Five-Year Plan period. The national government will continue to promote the deep integration of technological and industrial innovation. The Central Economic Work Conference has also identified “adhering to innovation-driven development and accelerating the cultivation and growth of new drivers” as a key economic task for 2026. To actively respond to national policies, the Group will continue to leverage technological innovation as its engine for development. It will strengthen the core technologies of lead-acid motive batteries, while accelerating technological breakthroughs for new energy batteries such as lithium and sodium batteries. In addition, the Group will continue to consolidate its corporate foundation with high-quality products, persistently developing high-efficiency battery products that offer superior performance, longer service life and greater environmental friendliness.

Against the backdrop of global green and low-carbon transformation, the Group will fully advance the implementation of its “Zero-Carbon CHILWEE” strategy and develop green energy storage technologies such as sodium-salt batteries. Concurrently, the Group is committed to building “Smart CHILWEE”. Beyond accelerating the digitalisation of the industrial chain and integrating R&D, production, supply, sales and services, it will leverage big data to build a digital management and control system covering the entire value chain. Furthermore, the Group will accelerate its deployment across the entire industrial chain of mobile and stationary energy, while actively expanding into overseas markets, striving to build a global new energy platform.

Going forward, the Group will maintain its strategic resolve, continuously expand its market share and consolidate its market position of “Energy for Good, Global CHILWEE”. It will continue to pursue its mission of “advocating green energy and perfecting human life” (倡導綠色能源，完美人類生活), committing to a path of sustainable, high-quality development while creating value for consumers.

## **Financial Review**

### *Revenue*

The Group’s revenue amounted to approximately RMB54,400,453,000 in the Year, representing an increase of approximately 8.1% from approximately RMB50,341,015,000 in 2024. 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 RMB3,656,712,000 in the Year, representing an increase of approximately 4.8% from approximately RMB3,489,456,000 in 2024. The Group’s gross profit margin in the Year was approximately 6.7% (2024: approximately 6.9%). The decrease in gross profit margin was primarily due to an increase in proportion of sales of renewable materials which has a relatively lower gross profit margin.

### *Other income*

The Group’s other income amounted to approximately RMB614,456,000 in the Year, representing a decrease of approximately 11.9% from approximately RMB697,844,000 in 2024, which was mainly due to a decrease in the government grants received in the Year.

### *Distribution and selling expenses*

The Group's distribution and selling expenses amounted to approximately RMB916,529,000 in the Year, representing a decrease of approximately 3.1% from approximately RMB946,320,000 in 2024, which was primarily attributable to a decrease in staff cost associated with distribution and selling, after-sales service expenses and transportation expenses during the Year. For the Year, the distribution and selling expenses as a percentage of revenue were approximately 1.7% (2024: approximately 1.9%).

### *Administrative expenses*

The Group's administrative expenses were approximately RMB633,358,000 in the Year, representing an increase of approximately 3.6% from approximately RMB611,383,000 in 2024, which was mainly due to an increase in administrative staff cost during the Year.

### *R&D expenses*

The Group's R&D expenses amounted to approximately RMB1,408,013,000 in the Year, representing an increase of approximately 2.1% from approximately RMB1,378,749,000 in 2024, 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 decreased by 1.7% from approximately RMB417,760,000 in 2024 to approximately RMB410,735,000 in the Year, which was primarily due to a decrease in interest expenses of bank borrowings during the Year.

### *Profit before tax*

For the above reasons, the Group's profit before tax increased by approximately 16.6% to approximately RMB619,166,000 in the Year (2024: approximately RMB531,067,000).

### *Taxation*

The Group's income tax expenses decreased by approximately 2.8% to approximately RMB103,141,000 in the Year (2024: approximately RMB106,157,000). The effective tax rate was approximately 16.7% in the Year (2024: approximately 20.0%). The lower effective tax rate was mainly due to a decrease in the recognition of tax losses and deductible temporary differences during the Year.

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

Due to the reasons above, the profit attributable to owners of the Company increased to RMB360,917,000 in the Year (2024: approximately RMB289,507,000).

### *Liquidity and financial resources*

As at 31 December 2025, the Group had net current assets of approximately RMB4,200,764,000 (31 December 2024: net current assets of approximately RMB3,662,836,000). Cash and bank balances were approximately RMB3,752,375,000 (31 December 2024: approximately RMB3,612,035,000). Net debts, including borrowings, lease liabilities and deducting cash and bank deposits (including restricted bank deposits), were approximately RMB2,758,512,000 (31 December 2024: approximately RMB2,559,471,000), 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 RMB6,545,680,000 bore interest at fixed rates and approximately RMB7,562,590,000 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 2025, the Group's current ratio (current assets/current liabilities) was 1.29 (31 December 2024: 1.27) and gearing ratio (net debts/total assets) was approximately 11.1% (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. 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:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Buildings	<b>438,054</b>	367,491
Right-of-use assets	<b>393,475</b>	147,478
Receivables at FVTOCI	<b>2,380,813</b>	2,033,792
Restricted bank deposits	<b>3,360,660</b>	3,277,050

### *Capital commitments*

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Contracted but not provided for:		
— acquisition of property, plant and equipment	<b>25,380</b>	20,951
— capital contribution to associates	—	6,400
— capital contribution to a joint venture	—	174

### *Contingent liabilities*

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

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

As at 31 December 2025, the Group employed a total of 13,585 (31 December 2024: 14,484) staff members in the PRC and Hong Kong. During the Year, the total cost of employees amounted to approximately RMB1,821,937,000. 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 AND MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There were no significant investments held as at 31 December 2025, 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 (including sale of treasury shares) during the Year.

As at 31 December 2025, the number of treasury shares held by the Company is nil.

## **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. Sun Wenping and Mr. Zhang Fan. 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 Friday, 29 May 2026 to Wednesday, 3 June 2026 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the annual general meeting to be held on Wednesday, 3 June 2026, 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 Wednesday, 3 June 2026. 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 Thursday, 28 May 2026.

The Board has resolved to recommend the payment of a final dividend of HKD0.056 per share for shareholders whose names appear on the Register of Members on Thursday, 11 June 2026. The Register of Members will be closed from Tuesday, 9 June 2026 to Thursday, 11 June 2026, both days inclusive, and the proposed final dividend is expected to be paid on or around Wednesday, 15 July 2026. 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 Wednesday, 3 June 2026. 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 Monday, 8 June 2026.

## **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](http://www.hkexnews.hk)) and the Company ([www.chaowei.com.hk](http://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.

## **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF THE AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

The Board announces that it proposes to amend the existing articles of association of the Company (the "Articles") and to adopt the amended and restated articles of association of the Company incorporating the amendments (the "Amended and Restated Articles of Association") for the purpose of, among others, (i) bringing the Articles in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the relevant amendments made to the Listing Rules; (ii) providing the Company more flexibility in the manner of holding general meeting by allowing general meetings to be convened and held by way of physical meetings, hybrid meetings or solely by electronic means; (iii) allowing the Company to hold repurchased shares in treasury for future resale; and (iv) making consequential and housekeeping amendments to the Articles (collectively the "Proposed Amendments").

The Proposed Amendments and the adoption of the Amended and Restated Articles of Association are subject to the approval of the shareholders of the Company by way of a special resolution at the forthcoming annual general meeting of the Company. A circular containing, among other things, particulars relating to the Proposed Amendments brought about by the adoption of the Amended and Restated Articles of Association together with a notice convening the forthcoming annual general meeting will be despatched to the shareholders of the Company in due course.

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

Changxing, Zhejiang Province, the PRC, 26 March 2026

*As at the date of this announcement, the executive Directors are Mr. ZHOU Mingming, Ms. YANG Yunfei, Mr. YANG Xinxin and Mr. NG Chi Kit; the non-executive Director is Ms. FANG Jianjun; the independent non-executive Directors are Mr. LEE Conway Kong Wai, Mr. SUN Wenping and Mr. ZHANG Fan.*