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Chaowei Power Holdings Limited

超威動力控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 951)

PROFIT WARNING

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

As disclosed in the announcement of the Company dated 21 October 2014 (the “**Announcement**”), the Company expected that the Group’s profit for the nine months ended 30 September 2014 and the year ending 31 December 2014 will show a significant decrease.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest available information and a preliminary review of the consolidated management accounts of the Group for the eleven months ended 30 November 2014, notwithstanding that the Group expects to record a marked increase in the sales volume and revenue for the year ending 31 December 2014 as compared to those for the year ended 31 December 2013, the Group expects to record a net loss attributable to owners of the Group for the year ending 31 December 2014, which was mainly attributable to the decrease in selling price of the lead-acid motive batteries due to intense competition in the market of the PRC.

Nevertheless, in view of:

- 1) the overall sustained growth of the electric bike market in the PRC;
- 2) the continuous consolidation of the lead-acid battery industry;

- 3) the implementation of the Cadmium Free Requirement in the Entry Requirements of the Lead-acid Battery Industry (“鉛蓄電池行業准入條件”) (the “**Entry Requirements**”) at the end of 2013, that the Group is the clear industry leader in application of the Enclosed Battery Formation Process, and that 100% of the Group’s production capacity is already using the Cadmium Free Production Process;
- 4) the Group continues to strengthen its leading position in the market in terms of highest sales volume and market share in the industry; and
- 5) the Group’s significant emphasis on developing new products and market, such as the international joint venture cooperation with Moll Group (including Akkumulatorenfabrik MOLL GmbH & Co. KG, Moll Grundstücks- und Vermögensverwaltungs GmbH & Co. KG, Moll ACCU Engineering und Marketing GmbH, MOLL Beteiligungsgesellschaft mit beschränkter Haftung and MOLL Grundbesitz-GmbH), which forms a product technology and market foundation for entry into automotive start and stop battery market,

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

The information contained in this announcement has not been audited by the Company’s auditors or reviewed by the Company’s audit committee and is only based on latest available information to the Company and the management’s preliminary review of the consolidated management accounts of the Group for the eleven months ended 30 November 2014. Shareholders and potential investors are advised to read carefully the consolidated annual results announcement of the Group for the year ending 31 December 2014, which will be published in due course.

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

Changxing, Zhejiang Province, the People’s Republic of China, 21 December 2014

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