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Gowin New Energy Grp - Interim Results Six Months Ended 30 June 2016 London Stock Exchange
RNS Number : 3657L
Gowin New Energy Group Limited
30 September 2016

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Gowin New Energy Group Limited
("GNE" or the "Group")
(ISDX: GWIN)

Interim Results for the Six Months Ended 30 June 2016

Gowin New Energy Group Limited, the China-based group engaged in the research and development, outsourcing and sales of LED lighting products, today announces its unaudited financial results for the six months ended 30 June 2016.

Chairman's Statement

Business Overview

As previously reported, the Group terminated the Variable Interest Equity ("VIE") relationship with a PRC company Dongguan Yichia Optoelectronics Technology Co., Limited ("Yichia Opto") late last year. As a result of that termination between the Group and Yichia Opto, the Group's business turnover in the first half year of 2016 has significantly decreased, but has simultaneously enabled the Group to continue focusing on R&D progress and expand into other businesses with less working capital requirement. The Group has been exploring and implementing its expanding business base in the first half year of 2016 with minimal incremental business turnover in the six months ending 30 June 2016. In this period the Group has engaged with SOPHELIN BIOTECH CO., LTD and PLEASE BIOTECHNOLOGY CO., LTD developing an anti-allergy filter product which is close to completion. Additionally, the Group has engaged with XIANG-TENG ENTERTAINMENT LIMITED on entertainment sector game facility solutions which are

expected to make meaningful profit contributions to the Group in the future. These two business development projects will commence sales in the second half year of 2016, driving expected strong sales and Group profit contribution.

Since most of the Group's employees operate the business in Taiwan, the Group's representative office has been set up in Taoyuan city, in operation since June 2016. To support the Group's future development, the Group is arranging to set up two subsidiaries respectively located in Taiwan and China. The implementation of the two subsidiaries is currently in the project planning phase; the Group will disclose more information as they approach becoming operational.

Financial Position

The total cash balance of the Group as at 30 June 2016 is RMB 9,204,796, considered sufficient (along with conservative projected sales income) to meet its medium term working capital needs for R&D, business expansion and recurring operational expenses. In addition, as a safety measure, should there be any additional unforeseen costs, the Group's CEO Chen Chih Lung has signed a promissory agreement to maintain the Group's ongoing operations and liquidity posture as required. The Board will continue to monitor its cash flow projections on a monthly basis.

Rosin Trading Limited ("Rosin", a subsidiary of the Group) lent US\$890,000 to Choice Only International Ent. Co., Ltd. ("Choice") on 26 December 2015, due to be repaid by 26 June 2016. In order to ensure that Choice will redeem the loan in due course, the Group's CEO Chen Chih Lung deposited US\$530,888 with the Group as security. As at 26 June 2016, Choice had an outstanding loan amount of US\$340,880 which was settled out of the security deposit of US\$530,888 provided by Chen Chih Lung. As a result, Choice has met its loan repayment obligations on 26 June 2016.

As described earlier in this report, the Group is proactively expanding its offerings in multiple markets. For example, the Group is evaluating a potential business partnership with TAIWAN THICK-FILM INDUSTRIES CORP. ("Tailon"). Tailon is a company mainly engaged in LED components and panels which they would potentially assemble for our Group's business and sales. Tailon currently has very strong business capital and profits, as revealed on its website and the Taiwan Stock Exchange. When the due diligence report is available the Board will meet to decide if, how and when to invest, at which time the Group will make an appropriate announcement.

Business Outlook

The main business projects which are under development by the Group in 2016 are (1) developing anti-allergy filter products (2) entertainment sector with game facility solutions (3) potential investment in Tailon. These projects, as they come to fruition, are expected to significantly enhance Group profitability beginning late in the second half year of 2016.

Tailon, in particular, has broad scale and sustainable profits, with significant upside from a potential partnership with Gowin. In addition, the Group continues its focus on LED R&D and new innovations in indoor and outdoor lighting production which will enhance global commitment to new energy solutions, with features such as power saving function, wafers integration and power effectiveness.

Conclusion

The Board is confident about its business direction and expected growth in revenues and profits. Shareholders will be kept up to date on developments.

I really appreciate all the support from our shareholders. It's acknowledged that in the recent Group restructuring phase there has been little growth. However, with the continuous committed efforts of the Board and staff, a brighter future is anticipated with commensurate upward trends in shareholder value. Finally, on the behalf of the Board, I wish to thank our indispensable employees for their hard work and results.

Garry Willinge
Non-Executive Chairman

30 September 2016

The directors of Gowin New Energy Group Limited accept responsibility for this announcement.

For further information, please visit www.gowinyichia.com (<http://www.gowinyichia.com>) or contact the following:

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Gowin New Energy Group Limited
Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2016

	Restated
Six months	Six months
ended	ended
30 June 2016	30 June 2015

		RMB'000	RMB'000
Continuing Operations	Note	(Unaudited)	(Unaudited)
Revenue	7	24	-
Cost of sales		(23)	-
Gross profit		<u>1</u>	<u>-</u>
Administrative expenses	9	(3,410)	(5,679)
Operating loss		<u>(3,409)</u>	<u>(5,679)</u>
Finance income	8	349	-
Loss before tax		<u>(3,060)</u>	<u>(5,679)</u>
Tax	10	-	-
Loss from continuing operations		<u>(3,060)</u>	<u>(5,679)</u>
Discontinued operations			
Loss from discontinued operations		-	(6,884)
Loss for the period		<u>(3,060)</u>	<u>(12,563)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to owners of the parent		<u><u>(3,060)</u></u>	<u><u>(12,563)</u></u>
Loss per share attributable to owners of the parent during the period expressed in RMB per share			
Basic and diluted loss per share	11	<u><u>(0.004)</u></u>	<u><u>(0.030)</u></u>

Gowin New Energy Group Limited
Condensed consolidated statement of financial position
As at 30 June 2016

		As at 30 June 2016 RMB'000 (Unaudited)	Restated as at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
	Note			
Assets				
Current assets				
Trade and other receivables	13	27,168	20	6,532
Cash in bank		9,204	5,988	1,309
		<u>36,372</u>	<u>6,008</u>	<u>7,841</u>
Assets directly associated with the discontinued operations		-	140,903	-
Total assets		<u>36,372</u>	<u>146,911</u>	<u>7,841</u>
Current liabilities				
Trade and other payables	15	(16,144)	(13,575)	(17,052)
		<u>(16,144)</u>	<u>(13,575)</u>	
Liabilities directly associated with the discontinued operations		-	(101,611)	-
Total liabilities		<u>(16,144)</u>	<u>(115,186)</u>	<u>(17,052)</u>
Net assets		<u>20,228</u>	<u>31,725</u>	<u>(9,211)</u>
Equity attributable to owners of the Company				
Share capital	16	77,071	44,571	44,571
Share premium		19,988	19,988	19,989
Retained loss		(76,831)	(32,834)	(73,771)
Total equity		<u>20,228</u>	<u>31,725</u>	<u>(9,211)</u>

For the six months ended 30 June 2016

	Attributable to owners of the Company				
	Share capital	Share premium	Reverse	Retained losses	Total
			acquisition reserve		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
For the six months ended 30 June 2015 (Unaudited)					
Balance at 1 January 2015 (Audited)	34,571	14,677	(10,049)	(10,222)	28,977
Loss for the period	-	-	-	(12,563)	(12,563)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(12,563)	(12,563)
Total transactions with owners, recognized directly in equity					
Issue of shares	10,000	5,311	-	-	15,311
Reallocation	-	-	10,049	(10,049)	-
Restated balance as at 30 June 2015	44,571	19,988	-	(32,834)	31,725
For the six months ended 30 June 2016 (Unaudited)					
Balance as at 1 January 2016 (Audited)					
	44,571	19,988	-	(73,771)	(9,212)
Loss for the period	-	-	-	(3,060)	(3,060)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(3,060)	(3,060)

**Total transactions
with owners,
recognized directly
in equity**

Issue of shares	32,500	-	-	-	32,500
Balance as at 30 June 2016	77,071	19,988	-	(76,831)	20,228

**Gowin New Energy Group Limited
Condensed consolidated statement of cash flows
For the six months ended 30 June 2016**

	Six months ended 30 June 2016 RMB'000 (Unaudited)	Restated Six months ended 30 June 2015 RMB'000 (Unaudited)
Cash Flows used in Operating Activities		
Loss before tax	(3,060)	(5,679)
Finance income	(349)	-
Decrease/(increase) in trade and other receivables	621	(1,877)
Increase in trade and other payables	1,553	9,437
Net cash used in operating activities by discontinued operations	-	(10,781)
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(1,235)</u>	<u>(8,900)</u>
Cash Flows generated from Financing Activities		
Issue of shares	3,810	15,311
Repayment of loan made to related party	5,321	-
Net cash used by discontinued operations	-	(435)
	<u> </u>	<u> </u>
Net cash generated from financing activities	<u>9,131</u>	<u>14,876</u>
	<u> </u>	<u> </u>
Net increase in cash and cash equivalents	<u>7,895</u>	<u>5,976</u>

Cash and cash equivalents at beginning of period	<u>1,309</u>	<u>12</u>
Cash and cash equivalents at end of period	<u><u>9,204</u></u>	<u><u>5,988</u></u>

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