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Gowin New Energy Grp - Half-year Report London Stock Exchange  
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Gowin New Energy Group Limited  
29 September 2017

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

**Interim Results for the Six Months Ended 30 June 2017**

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 2017.

**Chairman's Statement**

**Business Overview**

The principal activity of Gowin New Energy Group Limited ("the Group") has historically been research and development, and sales of LED lighting products. The group has continued its corporate restructuring including investing in business in related fields. In the first half of the year 2017, in the light of stagnation in the LED business, the Group including its subsidiaries continued its restructuring efforts. Since the Variable Interest Equity ("VIE") contracts were terminated with Yichia Optoelectronics Technology Co., Ltd ("Yichia Opto") in 2015, the subsidiary Gowin New Energy Holdings Limited ("Holdings") serves no purpose. Consequently, the winding-up process of Holdings, as approved by the Board in 2016, will begin on 1, October 2017. The business continues to operate its LED R&D and sales of LED products in Taiwan.

The Group's Annual General Meeting was held in Taiwan on 7 February 2017. The meeting approved the Group using its share premium account to pay up the balance of 325 million partly paid shares. Additionally, subject to the Grand Court of the Cayman Islands approval and registration processes, the Group approved the Capital Reduction of the Company, whereby 67.5624 shares in every 100 shares would be cancelled.

With the continuing poor performance of the LED business, the Board has continued reviewing its investment opportunity options, for the benefit of the long term. As previously announced, one of the opportunities that is being evaluated is a relationship with TAIWAN THICK-FILM INDUSTRIES CORP. ("TTFI"). TTFI's principal activity is production and sales of LED and Back Light Module products, a similar business to the Group. TTFI is listed on the Taipei Stock Exchange and is profitable. The board will update investors on the developments of the TTFI deal in due course.

### Financial Position

The Group will concentrate on achieving returns through its LED business subsidiaries and from associated investment returns. The Group intends to attract capital and make cash investments in other businesses. During this period of corporate restructuring the CEO, Mr. Chen, has supported the finance of the Group by way of loans and guarantees. CEO Mr. Chen Chih-Lung has signed a pledge letter promising to support the Group's working capital needs as necessary, such that the Group does not anticipate any working capital or going concern issues in the foreseeable future.

### Business Outlook and Conclusion

The Board will continue to examine opportunities to grow in the LED industry in 2017 and in other new business areas. The Directors look forward to the rest of this year with confidence.

### Events After Reporting Date

On 24 August 2017, following approval from the Cayman Island Court and filing of the Court Order, the Capital Reduction came into effect. With the cancellation of 67.5624 shares in every 100 shares, the Group aims to create distributable reserves to facilitate payment of dividends in the future, hence making the Group's ordinary shares more attractive to new investors.

On 30 August 2017, the Group released a Circular to shareholders, regarding a proposed investment in a new Tea Business, an issue of preference shares, adoption of amended and restated Memorandum of Association and Articles of Association and a Notice of an Extraordinary General Meeting to be conducted on 18 September 2017. In anticipation for this new business source of Group earnings, the Group announced the appointment of a new executive director Mr. Hsu I-Hsan on 22 August 2017.

On 18 September 2017, following the year end results, an Extraordinary General Meeting was conducted in Taiwan, whereby unanimous approval was received to reclassify £20,000,000 authorised share capital into Ordinary Shares and Preference Shares and to authorize the directors to allot new Preference Shares in the Company for the intention of establishing a new Tea Business.

#### Future Prospects

The Board has identified the tea industry as a potentially attractive opportunity for diversification and intends to establish and obtain a stake of 15% in a new company incorporated in the Cayman Island to operate a new tea business. Gowin has entered into a co-operation agreement for the operation of the new company with the Chinese Pu-erh Tea Exchange Association, a non-profit organization located in New Taipei City, Taiwan and Grange Culture Creative Limited, a Taiwanese incorporated unlisted company with extensive experience and expertise in the Chinese tea industry and relevant connections with various tea related corporations. The Board anticipates that this agreement with reputable and recognized organizations in the Chinese tea industry will be an important element of the newly established company's Tea Business. The Board looks forward to its business developing in the next financial year.

#### Appreciation

The Board highly appreciates all the support from our shareholders. The last six months was another period of incremental progress as the Group worked hard on its organization restructuring and new business establishment. The Board looks forward to the next productive phase of the Group. As always, on the behalf of the Board, I wish to sincerely thank our hard-working employees for their efforts and results.

Garry Willinge  
Non-Executive Chairman

28 September 2017

**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) (<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 2017**

		Six months ended 30 June 2017 RMB'000 (Unaudited)	Six months ended 30 June 2016 RMB'000 (Unaudited)
<b>Continuing Operations</b>	<b>Note</b>		
Revenue	7	22	24
Cost of sales			(23)
		-	
<b>Gross profit</b>		<b>22</b>	<b>1</b>
Administrative expenses	9		(3,410)
		(2,743)	
Gain on disposal of sub		322	
			-
<b>Operating loss</b>		<b>(2,399)</b>	<b>(3,409)</b>
Finance income	8	-	349
Finance costs		(29)	
<b>Loss before tax</b>		<b>(2,428)</b>	<b>(3,060)</b>
Tax	10	-	-
<b>Loss from continuing operations</b>		<b>(2,428)</b>	<b>(3,060)</b>
<b>Discontinued operations</b>			
Loss from discontinued operations		-	-
<b>Loss for the period</b>		<b>(2,428)</b>	<b>(3,060)</b>
Other comprehensive income		-	-

<b>Total comprehensive loss for the period attributable to owners of the parent</b>		<u>(2,428)</u>	<u>(3,060)</u>
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<b>Loss per share attributable to owners of the parent during the period expressed in RMB per share</b>			
<b>Basic and diluted loss per share</b>	11	<u>(0.010)</u>	<u>(0.004)</u>

**Gowin New Energy Group Limited**  
**Condensed consolidated statement of financial position**  
**As at 30 June 2017**

	Note	As at 30 June 2017 RMB'000 (Unaudited)	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Long-term Investments	13	6,143	-	-
<b>Current assets</b>				
Trade and other receivables	14	762	27,168	33,096
Cash in bank		599	9,204	2,079
		<u>1,361</u>	<u>36,372</u>	<u>35,175</u>
Assets directly associated with the discontinued operations		-	-	-
<b>Total assets</b>		<u>7,504</u>	<u>36,372</u>	<u>35,175</u>
<b>Current liabilities</b>				
Trade and other payables	16	(13,567)	(16,144 )	(18,821)
		<u>(13,567)</u>	<u>(16,144 )</u>	<u>(18,821)</u>
Liabilities directly associated with the discontinued operations		-	-	-
<b>Total liabilities</b>		<u>(13,567)</u>	<u>(16,144 )</u>	<u>(18,821)</u>
<b>Net assets</b>		<u>(6,063)</u>	<u>20,228</u>	<u>16,354</u>

**Equity attributable to owners of the Company**

Share capital	17	77,071	77,071	77,071
Share premium		-	19,988	19,989
Retained loss		(83,134)	(76,831)	(80,706)
<b>Total equity</b>		<b>(6,063)</b>	<b>20,228</b>	<b>16,354</b>

**Gowin New Energy Group Limited**  
**Condensed consolidated statement of changes in equity**  
**For the six months ended 30 June 2017**

	<b>Attributable to owners of the Company</b>			
	<b>Share capital</b>	<b>Share premium</b>	<b>Retained losses</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>For the six months ended 30 June 2016 (Unaudited)</b>				
<b>Balance as at 1 January 2016 (Audited)</b>	<b>44,571</b>	<b>19,988</b>	<b>(73,771)</b>	<b>(9,212)</b>
Loss for the period	-	-	(3,060)	(3,060)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(3,060)</b>	<b>(3,060)</b>
<b>Total transactions with owners, recognized directly in equity</b>				
Issue of shares	32,500	-	-	<b>32,500</b>
Reallocation	-	-	-	-
<b>Balance as at 30 June 2016</b>	<b>77,071</b>	<b>19,988</b>	<b>(76,831)</b>	<b>20,228</b>
<b>For the six months ended 30 June 2017 (Unaudited)</b>				
<b>Balance as at 1 January 2017 (Audited)</b>	<b>77,071</b>	<b>19,988</b>	<b>(80,706)</b>	<b>16,353</b>
Loss for the period	-	-	(2,428)	(2,428)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(2,428)</b>	<b>(2,428)</b>
<b>Total transactions with owners, recognized directly in equity</b>				

Issue of shares	-	-	-	-
Settlement of unpaid share capital	-	(19,988)	-	(19,988)
<b>Balance as at 30 June 2017</b>	<b>77,071</b>	<b>-</b>	<b>(83,134)</b>	<b>(6,063)</b>

**Gowin New Energy Group Limited**  
**Condensed consolidated statement of cash flows**  
**For the six months ended 30 June 2017**

	<b>Six months ended 30 June 2017 RMB'000 (Unaudited)</b>	<b>Six months ended 30 June 2016 RMB'000 (Unaudited)</b>
<b>Cash Flows used in Operating Activities</b>		
Loss before tax	(2,428)	(3,060)
Finance income	(322)	(349)
Finance cost	29	-
Decrease/(Increase) in trade and other receivables	(38)	620
(Decrease)/Increase in trade and other payables	23	1,553
Net cash used in operating activities by discontinued operations	-	-
<b>Net cash used in operating activities</b>	<b>(2,736)</b>	<b>(1,236)</b>
<b>Cash Flows generated from Investing Activities</b>		
Finance income	322	-
<b>Net cash generated from Investing activities</b>	<b>322</b>	<b>-</b>
<b>Cash Flows generated from Financing Activities</b>		
Shareholders' loans	963	-
Issue of shares	-	3,810
Repayment of loan made to related party	-	5,321
Finance cost	(29)	-
Net cash used by discontinued operations	-	-
<b>Net cash generated from financing activities</b>	<b>934</b>	<b>9,131</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,480)</b>	<b>7,895</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,079</b>	<b>1,309</b>

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