

**GOWIN NEW ENERGY GROUP LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# GOWIN NEW ENERGY GROUP LIMITED

## CORPORATE INFORMATION

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<b>Directors</b>	Garry Willinge, <i>Non-Executive Chairman</i> Chen Chih-Lung, <i>Chief Executive Officer</i>
<b>Audit Committee</b>	Garry Willinge, <i>Chairman</i>
<b>Nomination and Remuneration Committee</b>	Garry Willinge, <i>Chairman</i>
<b>Company Secretary</b>	Sun Chien Ching
<b>Registered Office</b>	Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Principal Bankers</b>	<b>CTBC Bank Co., Ltd</b> 28/F. Two International Finance Centre 8 Finance Street Central Hong Kong <b>Hang Seng Bank Limited</b> 83 Des Voeux Road Central Hong Kong
<b>Lead Corporate Adviser and Broker</b>	<b>Novum Securities Limited</b> 2 <sup>nd</sup> Floor 7-10 Chandos Street London W1G 9DQ
<b>Independent Auditors</b>	<b>PKF Littlejohn LLP</b> 15 Westferry Circus Canary Wharf London United Kingdom E14 4HD

# GOWIN NEW ENERGY GROUP LIMITED

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## **GOWIN NEW ENERGY GROUP LIMITED**

### **CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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Gowin New Energy Group Limited (the "Group" or "Gowin") is pleased to announce its annual results for the year ended 31 December 2022 including early sales success in its agarwood project.

Gowin has historically been engaged in the sale and investment of LED related products based in Taiwan. The Group has an investment in a Taiwan-based company, Taiwan Thick-Film Industries Corp (TTFI), listed on the Taipei Stock Exchange, which is principally engaged in the manufacture and sales of LED backlight modules and components distributed primarily in the Asia market.

The Group continues to assess the opportunity to relaunch its tea trading business, focused on the collection, distribution and sale (including auction market) of high-quality Chinese Pu-erh tea and Taiwan high-mountain tea. Given China is the key to Gowin's tea business supply chain, the well publicised and highly impactful Covid-19 related lockdowns in 2022 (affecting the whole economy and every industry sector) meant the Group has had to wait before driving the tea business forward. The good news is that the People's Republic of China ("PRC") government completely lifted its Covid Zero policy at the end of 2022 and borders opened more freely in February 2023. The Group is now assessing the tea trading environment and any hangover commercial restrictions from the three years of Covid lockdowns in China and expects to make a business decision later in 2023 as to how and when it may tentatively relaunch the tea trading business.

The Group announced the proposed launch of a new agarwood trading business on 10 February 2022 and provided a trading update on 7 November 2022. The agarwood business has its focus on trading high-quality agarwood products, including agarwood incense which is widely used in religious ceremonies in Taiwan and essential oils which can be applied in many ways in daily life. Contracts were signed with Gowin's supplier P&I Enterprise Company Limited ("P&I") and its sales and distribution partner Nine Angel Limited Company ("Nine Angel") on 4 November 2022. As at 31 December 2022, the incense powder sales achieved was 1.2 million CNY, a most encouraging start. In addition, the Group established a Gowin New Energy Limited Taiwan Branch ("Taiwan Branch") on 22 December 2022, in preparation for ending its temporary related party arrangement with Fonyu Investment Consultants Company Limited ("Fonyu"). This transaction is yet to complete, so Fonyu retains its role for the time being, after which future trading will be undertaken by the Taiwan Branch. The Group continues to work hard on product design and expansion (e.g., essential oils) as well as on market development and, taking advantage of the improved environment after pandemic restrictions gradually ease, the Group is proactively engaging with new prospective clients in order to secure their future business. The Group will update the market on its agarwood business developments as they arise.

The Group always strives to provide a safe working environment for its workforce and stakeholders and for some time has implemented preventive measures to reduce the spread of Covid-19 in the workplace, including working from home or half-paid sick leave within five days of Covid-19 positive. The Group has also reviewed its compliance and performance in the context of the broad Taiwan government Occupational Safety and Health Act and is satisfied with its overall performance and will pay close attention to new Covid-19 and other risks should they arise.

The Directors pay close attention to financial, non-financial and the well understood geopolitical risks associated with Taiwan and the PRC. In relation to going concern risk, CEO Mr Chen Chih-Lung continues his commitment to fund short term liquidity to support the Group's working capital requirements as and when required. His most recent working capital loan was announced on 8 June 2023. These loans are a measure of his determination and commitment to the Group.

**GOWIN NEW ENERGY GROUP LIMITED**

The Directors are committed to achieving sustainable profitability, step by step. They would like to take this opportunity to express sincere gratitude to all shareholders for their continued support and to thank all staff members of the Group for their dedication and contribution to the Group.

A handwritten signature in black ink, appearing to read 'G Willinge', written in a cursive style.

**Garry Willinge**  
**Non-Executive Chairman**

Date: 28 June 2023

## **GOWIN NEW ENERGY GROUP LIMITED**

### **BIOGRAPHIES OF DIRECTORS**

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#### ***Dr. Garry Willinge, Non-Executive Chairman***

Garry is a Fellow of the Australian Institute of Company Directors and a Fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School at Curtin University, and was awarded an Honorary Degree of Doctor of Technology in November 2013. Garry has been an experienced company director in public listed, unlisted and not for profit companies in Australia, London and Hong Kong for over 10 years. He is a director of Joint Venture companies in China, and is currently an Independent Non-Executive Director of China Properties Group Limited listed on the Hong Kong Stock Exchange Main Board, as well as Manulife International Limited in Hong Kong. Prior to starting his management services firm Cbridge Limited in Hong Kong in 2005, he served 30 years, mostly in senior executive roles, with IBM Corporation. His last role at IBM was head of Global Services for IBM China/Hong Kong Limited. His academic qualifications are a BSc. from the University of Melbourne, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and a Graduate Diploma of Corporate Governance from the University of New England/Australian Institute of Company Directors. He also graduated from the INSEAD Asian International Executive Program in 2004 and has attended a number of Harvard short management courses.

#### ***Chen Chih-Lung, Chief Executive Officer***

In 2013, Chih-Lung joined Choice Only International Ent Co Limited as Project Director responsible for project management, which included working closely with their CEO. Prior to this, he operated the family business for 13 years. Some of Chen's experiences include contract and tendering, financial management, and mergers & acquisitions. He graduated with a degree in Chemical Engineering from Lee-Ming Institute of Technology in Taiwan.

# **GOWIN NEW ENERGY GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report, together with the audited consolidated financial statements of Gowin New Energy Group Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2022.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Group have historically been research and development and sales of LED lighting products. The Group will continue its corporate restructuring including investing in businesses in other fields. The Group has been engaged in preparing for the launch of the tea trading business and this is expected to be an important line of business in the future.

With the continued impact caused by the ongoing pandemic, a new business project, the agarwood trading, was announced on 10 February 2022. The agarwood trading focuses on trading high-quality agarwood products, including agarwood incense which is widely used in religious ceremonies in Taiwan and essential oil which can be applied in many ways in daily life. The Group has entered into agarwood related products trade in November 2022. The Group expects more trade will be generated in 2023.

### **RESULTS AND DIVIDENDS**

The results are set out in the Consolidated Statement of Comprehensive Income on page 14. The Directors do not recommend the payment of a dividend for the year (2021: RMB Nil).

### **SHARE CAPITAL AND RESERVES**

Details of the movements in the share capital are set out in note 19 to the financial statements. The movements in the reserves of the Group during the year ended 31 December 2022 are set out in the Consolidated Statement of Changes in Equity on page 16.

### **GOING CONCERN**

The LED segment did not generate revenue in the reporting period. External and internal factors, including geopolitical tension, Covid-19 pandemic and production cost challenges have been challenging for the Group. The Group retains the ability to service this albeit declining industry; however, it will only take on profitable contracts as and when such opportunities arise.

The Group meets its day-to-day working capital requirements through its cash deposits from agarwood trade and additional working capital loans from CEO Mr Chen Chih-Lung. Mr Chen has confirmed his personal financial support with a declaration letter in support of Gowin's financial requirement to provide loans for business operations when required for at least 12 months from the date of approval of the financial statements.

The Directors have prepared cash flow forecasts for the Group which reflect the Group's forecasts and projections, taking account of reasonably possible changes in the Group's activities, and show that the Group should be able to operate with these current cash deposits for the next 12 months.

Management has also taken certain measures including negotiation with certain directors and equity holders to obtain their undertaking not to demand repayment of amounts owed to them until there are sufficient funds available for repayment and securing new funding from existing shareholders and /or new investors.

As a result of the consideration of the above, the Directors unanimously agree that with the existing shareholders' and new investors' support, the Group will have adequate resources to continue in operational existence for the foreseeable future.

## GOWIN NEW ENERGY GROUP LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### GREENHOUSE GAS EMISSIONS

The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint. In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

#### DIRECTORS' INTERESTS

A breakdown of Directors' interests in the Company is as follows:

	2022		2021	
	No. shares	% of issued share capital	No. shares	% of issued share capital
Garry Willinge	973,128	0.34%	973,128	0.34%
Chen Chih-Lung	42,706,320	14.73%	42,706,320	14.73%

The Directors did not hold any options during or at the end of the financial year (2021: Nil).

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Director at the date of approval of this Directors' Report confirms that:

- (i) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (ii) the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### AUDITORS

PKF Littlejohn LLP has expressed a willingness to continue in office as auditors.

On behalf of the Board



**Garry Willinge**  
Non-Executive Chairman

Date: 28 June 2023



## **GOWIN NEW ENERGY GROUP LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations, including the AQSE Exchange Rules for Companies.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company, or the Group, will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The Company is compliant with the AQSE Exchange Rule 75 regarding the Company's website.

## **GOWIN NEW ENERGY GROUP LIMITED**

### **INDEPENDENT AUDTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Opinion**

We have audited the financial statements of Gowin New Energy Group Limited and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Non-Statutory Consolidated Statement of Comprehensive Income, the Non-Statutory Consolidated Statement of Financial Position, the Non-Statutory Consolidated Statement of Changes in Equity, the Non-Statutory Consolidated Statement of Cash Flows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2022 and of its loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements, which identifies conditions that may cast significant doubt on the group's ability to continue as a going concern. The group incurred a net loss of RMB 4,407,000 during the year and incurred operating cash outflow of RMB 3,488,000, and its financial projection carries uncertainty as to its revenue, profit and cashflows in the 12 months from the date of the approval of these financial statements.

The group financial statements have been prepared on the going concern basis. The ability of the group to meet its expenditure requirements is dependent on its ability to raise additional funds and the continued financial support from directors and certain shareholders.

As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included obtaining management's cash flow forecasts, challenging the assumptions used by management and obtaining letters of continued financial support from certain directors and equity holders. In order for the group to meet their liabilities as they fall due, the group will need to raise funds from existing shareholders and/or the open market. We have obtained confirmation from the majority shareholder of his commitment to provide personal financial support to the group and have obtained confirmation of his ability to provide this.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **GOWIN NEW ENERGY GROUP LIMITED**

### **Our application of materiality**

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was RMB 469,000 (2021: RMB 375,000) based on the reported loss during the financial year and the net liabilities at the year end. The performance materiality was RMB 281,400 (2021: RMB 225,000), being 60% of overall materiality and for each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. As a group whose trading activities is in the process of expanding into different markets, loss before tax and net liabilities were considered the most appropriate benchmarks of interest to shareholders.

We agreed with the audit committee that we would report all differences identified during the course of our audit in excess of RMB 23,400 (2021: RMB 18,750).

### **Our approach to the audit**

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by directors that represents a risk of material misstatement due to fraud. We also considered revenue recognition and going concern.

A full scope audit was performed on the complete financial information of the group's parent company and subsidiary undertakings Gowin New Energy International Limited and Rosin Trading Limited. A component auditor assisted in auditing revenue, cost of sales, directors' remuneration and employees' salaries of Gowin New Energy Group Limited. The group audit team are responsible for the scope and direction of the audit process and reviewed the component auditor's working papers.

### **Key audit matters**

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

## **GOWIN NEW ENERGY GROUP LIMITED**

using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of our cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from AQSE rules and local requirements around taxation and employment laws. We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management,
  - Review of minutes of Board meetings.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to valuation of the investments, and we addressed this by challenging the judgements used by management when evaluating the impairment.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We engaged with our component auditors to ensure they assessed whether there were any instances of non-compliance with laws and regulations at a local level and ensured they reported any such breaches or concerns to us. None were noted at the component or group level.

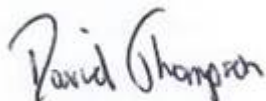
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **GOWIN NEW ENERGY GROUP LIMITED**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 15 May 2023. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Thompson (Engagement Partner)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

28 June 2023

**GOWIN NEW ENERGY GROUP LIMITED**

**NON-STATUTORY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Continuing Operations</b>			
Revenue	6	1,216	-
Cost of sales		(1,076)	-
		<u>          </u>	<u>          </u>
<b>Gross profit</b>		<b>140</b>	<b>-</b>
Administrative expenses	9	(3,467)	(3,866)
		<u>          </u>	<u>          </u>
<b>Operating loss</b>		<b>(3,327)</b>	<b>(3,866)</b>
Finance costs	8	(325)	(309)
Other income		6	14
Fair value (loss)/gain on financial assets at fair value through profit or loss	14	(936)	535
Foreign exchange gain		175	264
		<u>          </u>	<u>          </u>
<b>Loss before tax from continuing operations</b>		<b>(4,407)</b>	<b>(3,362)</b>
Tax	11	-	-
		<u>          </u>	<u>          </u>
<b>Loss for the year from continuing operations</b>		<b>(4,407)</b>	<b>(3,362)</b>
		<u>          </u>	<u>          </u>
<b>Loss for the year attributed to owners of the parent entity</b>		<b>(4,407)</b>	<b>(3,362)</b>
		<u>          </u>	<u>          </u>
Other Comprehensive Income		-	-
		<u>          </u>	<u>          </u>
<b>Total Comprehensive Loss for the year attributable to owners of the parent entity</b>		<b>(4,407)</b>	<b>(3,362)</b>
		<u>          </u>	<u>          </u>
<b>Loss per share expressed in RMB per share</b>			
Basic and diluted loss per share for the year attributable to owners of the parent entity	12	<b>(0.02)</b>	<b>(0.01)</b>

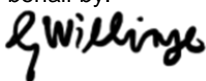
The notes on pages 18 to 36 are an integral part of these Consolidated Financial Statements.

**GOWIN NEW ENERGY GROUP LIMITED**

**NON-STATUTORY CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 RMB'000	31 December 2021 RMB'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments at fair value through profit or loss	14	3,407	4,395
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,407</b>	<b>4,395</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	15	1,779	74
Cash and cash equivalents	16	815	2,330
<b>TOTAL CURRENT ASSETS</b>		<b>2,594</b>	<b>2,404</b>
<b>TOTAL ASSETS</b>		<b>6,001</b>	<b>6,799</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	(13,663)	(11,812)
Loans from equity holders	18	(11,330)	(14,560)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(24,993)</b>	<b>(26,372)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(22,399)</b>	<b>(26,372)</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans from equity holders	18	(4,988)	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(4,988)</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>(29,981)</b>	<b>(26,372)</b>
<b>NET LIABILITIES</b>		<b>(23,980)</b>	<b>(19,573)</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY</b>			
Share capital	19	29,000	29,000
Preference shares		2,195	2,195
Retained earnings		(55,175)	(50,768)
<b>TOTAL DEFICIT</b>		<b>(23,980)</b>	<b>(19,573)</b>

The Consolidated Financial Statements were approved by the board of Directors and authorised for issue on 28 June 2023 and were signed on its behalf by:

  
Garry Willinge  
Director

  
Chen Chih-Lung  
Director

The notes on pages 18 to 36 are an integral part of these Consolidated Financial Statements.

**GOWIN NEW ENERGY GROUP LIMITED**

**NON-STATUTORY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Attributable to owners of the parent entity			
	Share capital RMB'000	Preference shares RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance as at 1 January 2021</b>	<b>29,000</b>	<b>2,195</b>	<b>(47,406)</b>	<b>(16,211)</b>
Loss for the year	-	-	(3,362)	(3,362)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(3,362)</b>	<b>(3,362)</b>
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 December 2021</b>	<b>29,000</b>	<b>2,195</b>	<b>(50,768)</b>	<b>(19,573)</b>
Loss for the year	-	-	(4,407)	(4,407)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(4,407)</b>	<b>(4,407)</b>
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 December 2022</b>	<b>29,000</b>	<b>2,195</b>	<b>(55,175)</b>	<b>(23,980)</b>

The notes on pages 18 to 36 are an integral part of these Consolidated Financial Statements.



**GOWIN NEW ENERGY GROUP LIMITED**

**NON-STATUTORY CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Loss before tax</b>	<b>(4,407)</b>	<b>(3,362)</b>
Fair value loss/(gain) on financial assets	936	(535)
Finance costs	325	309
Foreign currency gain	(488)	(26)
(Increase)/Decrease in trade and other receivables	(1,705)	21
Increase in trade and other payables	1,851	1,558
	_____	_____
<b>Net cash used in operating activities</b>	<b>(3,488)</b>	<b>(2,035)</b>
	_____	_____
<b>Cash Flows from Investing Activities</b>		
Finance costs	(4)	(4)
	_____	_____
<b>Net cash used in investing activities</b>	<b>(4)</b>	<b>(4)</b>
	_____	_____
<b>Cash Flows from Financing Activities</b>		
Loans from equity holders	1,977	2,024
	_____	_____
<b>Net cash generated from financing activities</b>	<b>1,977</b>	<b>2,024</b>
	_____	_____
<b>Net decrease in cash and cash equivalents</b>	<b>(1,515)</b>	<b>(15)</b>
Cash and cash equivalents at beginning of the year	2,330	2,345
	_____	_____
<b>Cash and cash equivalents at end of the year (note 16)</b>	<b>815</b>	<b>2,330</b>
	=====	=====

**Non-cash transactions:**

The fair value loss on financial assets was RMB 936,000 (2021: gain of RMB 535,000).

During the year, finance cost of RMB 321,000 (2021: RMB 305,000) incurred was credited to the loans from equity holders.

The notes on pages 18 to 36 are an integral part of these Consolidated Financial Statements.

# GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1. GENERAL INFORMATION

Gowin New Energy Group Limited ("Gowin" or "the Company") is incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is located at 4F., No. 5, Ln. 332, Siyuan Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.)

The principal activities of Gowin New Energy Group Limited ("the Group") has historically been research and development and sales of LED lighting products. In the current year the Group was engaged in the agarwood trading business. The Group will continue to invest in businesses in related or different fields.

During the year the CEO, Mr. Chen and certain shareholders have supported the finances of the Group by way of additional loans, and non-demand for the repayment of existing loans including interest and guarantees.

The Company's shares are listed on the Aquis Stock Exchange (AQSE) Growth Market. All values are rounded to the nearest thousand except when indicated otherwise.

### 2. BASIS OF PREPARATION

The non-statutory Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRIC) interpretations.

The preparation of the Consolidated non-statutory Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated non-statutory Financial Statements, are disclosed in Note 5.

### GOING CONCERN

The Group Financial Statements have been prepared on a going concern basis as explained in the Report of the Directors on page 7.

The Group reported a net loss after tax of RMB 4,407,000 for the financial year ended 31 December 2022 (2021: loss of RMB 3,362,000) and has net current liabilities as at 31 December 2022 of RMB 22,399,000. Management's assessment of the ability of the Group to continue as a going concern has considered cashflow forecasts, including assumptions regarding the Group's trading activities, raising funds from existing shareholders and the open market, and the Group's ability to settle liabilities as and when they fall due.

Mr Chen has recommitted his personal financial support to provide loans for business operations as and when required for a period of no less than 12 months from the date of signing the Financial Statements.

Management has also taken certain measures including negotiation with certain directors and equity holders to obtain their undertaking not to demand repayment of amounts owed to them until there are sufficient funds available for repayment and securing new funding from existing shareholders and / or new investors.

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. BASIS OF PREPARATION (continued)

##### GOING CONCERN (continued)

Based on the above, the Group will be required to raise additional funds during the going concern period. The Directors consider there are reasonable grounds to believe that the Group will be able to fund the Group's future operating expenses. Should the Group not be able to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to re-classify non-currents assets as current. The Financial Statements do not include any adjustments that may be required should the Group be unable to continue as a going concern.

##### NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED BY THE GROUP

###### (i) New standards, amendments and interpretations adopted by the Group and Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standard / Interpretation	Application
IAS 1 & IAS 8 amendments	Definition of Material
IFRS 3 amendments	Business Combinations – Reference to Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets
Annual Improvements to IFRS Standards 2018-2020 cycle	

###### (ii) New standards, amendments and interpretations not yet adopted

Standard / Interpretation	Application
IAS 1 amendments	Presentation of Liabilities as Current or Non-current Effective: Annual periods beginning on or after 1 January 2023
IAS 1 amendments	Classification of Liabilities as Current or Non-current Effective: Annual periods beginning on or after 1 January 2023
IAS 1 amendments	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
IAS 8 amendments	Accounting policies Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
IAS 12 amendments	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of consolidation

The Consolidated non-statutory Financial Statements comprise the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Statement of Comprehensive Income. Any investment retained is recognised at fair value at the date when control is lost.

The following subsidiaries have been included within the Consolidated non-statutory Financial Statements and represent all entities controlled by the Company as at 31 December 2022:

Name of Company	Country of business/ incorporation	Date of incorporation	Equity holding		Principal activities
			2022	2021	
Gowin New Energy International Limited	British Virgin Islands	27 February 2013	100%	100%	Investment holding and sales of agarwood products
Goyoung International Limited	Seychelles	24 May 2019	20%	20%	Dormant
Rosin Trading Limited	Western Samoa	11 November 2014	100%	100%	Sales of tea

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Segment reporting**

IFRS 8 requires that an entity discloses financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments reviewed by the chief operating decision maker. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Group's executive directors to allocate resources and to assess performance. Using the Group's internal management reporting as a starting point, the single reporting segment set out in note 7 has been identified.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's executive directors that make strategic decisions.

**(c) Foreign currency translation**

Functional and presentation currency

The functional and presentational currency of the Group is Renminbi (RMB).

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign exchange gains and losses relating to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the income statement within "Gains/ (Losses) on foreign exchange".

**(d) Financial Instruments Financial assets**

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, an entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

When an entity first recognises a financial asset, it classifies it based on the entity's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- i. Amortised cost - a financial asset is measured at amortised cost if both of the following conditions are met:
  1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  2. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Instruments Financial assets (continued)**

- ii. Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- iii. Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When, and only when, an entity changes its business model for managing financial assets it must reclassify all affected financial assets.

The Group classifies its equity investments as financial assets at fair value through profit or loss.

The Group's financial assets, including trade and other receivables and cash and cash equivalent are subsequently measured at amortised cost using the effective interest method less impairment charges.

**Impairment**

Impairment of financial assets at amortised cost is recognised in stages:

- a. Stage 1 - as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).
- b. Stage 2 - if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1.
- c. Stage 3 - if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks.

**(f) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects from the proceeds.

On 7 February 2020, the Group issued 12,500,000 Preference Shares of GBP 0.02 each with the total value GBP 250,000. The Preference Shares will be utilized in whole, save for amounts retained to meet expenses, to provide loan finance to Goyoung International Company Limited ('Goyoung') which will be drawn down in tranches. Goyoung will perform trading transactions in relation to the tea business.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Trade and other payables**

Trade payables are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(h) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**(i) Revenue recognition**

Revenue is recognised to depict the transfer of services or goods to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- a. Step 1: Identify the contract(s) with a customer;
- b. Step 2: Identify the performance obligations in the contract;
- c. Step 3: Determine the transaction price;
- d. Step 4: Allocate the transaction price to the performance obligations in the contract; and
- e. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Sales of agarwood are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

**(j) Finance income and costs**

Finance income includes interest in regard to invested amounts and interest income that is recognised using the effective interest method.

Finance costs include interest on loans received and bank charges.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Income tax**

Tax comprises both current and deferred tax. Current tax and deferred tax are recognised in the statement of comprehensive income except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(l) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at the end of each of the relevant periods and adjusted to reflect the current best estimate. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.



**4. FINANCIAL RISK MANAGEMENT**

The Group conducts its operations in Taiwan and China. The identified risks include, but are not limited to, the political, economic and legal environment, influence of national authorities over pricing regulation, and competition in the industry.

The Group's major financial instruments are set out in the Consolidated Statement of Financial Position. The Group's activities expose it to a variety of financial risks including market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has mainly relied on investment from equity holders to fund its operations for the past year. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

Risk management is carried out by Management under the supervision of the Board of Directors. Management identifies, evaluates and manages significant financial risks and the Board provides guidance for overall risk management.

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets and contract assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements. The Group's maximum exposure to credit risk are trade and receivables and cash and cash equivalents set out in the Non-Statutory Consolidated Statement of Financial Position.

Most of the Group's cash in banks have been deposited with reputable and creditworthy banks in Hong Kong and Taiwan. Management considers there is minimal credit risk associated with those balances.

**(ii) Interest rate risk**

The Group has no significant interest-bearing assets except for certain bank deposits. Management considers the interest risk is minimal as the interest income from bank deposits is insignificant and the interest rate for the borrowings is fixed. The impact of a movement in the interest rate would have immaterial impact on the Group's financial position.

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4. FINANCIAL RISK MANAGEMENT (continued)

##### (iii) Liquidity risks

Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed equity holders' loans and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping sufficient cash and bank balances.

Amounts due to key management personnel consist of unpaid salary, loans, employees' insurance (unpaid) from Mr. Chen, CFO and chairman. Chairman's salary and employees' insurance will be paid on time. The CEO's and CFO's salary remain unpaid until sufficient funds are available.

	2022		2021	
	Carrying amounts RMB'000	Contractual undiscounted cash flow RMB'000	Carrying amounts RMB'000	Contractual undiscounted cash flow RMB'000
Trade payables	368	368	368	368
Accruals and other payables	364	364	396	396
Amount due to key management personnel	12,931	12,931	11,048	11,048
Loans from equity holders	16,318	16,318	14,560	14,560
	<u>29,981</u>	<u>29,981</u>	<u>26,372</u>	<u>26,372</u>

##### (iv) Foreign exchange risks

The Group operates primarily in Taiwan and China, with the majority of the transactions being settled in GBP, RMB, USD, HKD or NTD. The transactional currency exposures arise from transactions with the Group's related parties and minor trade and other payables in foreign currencies. The Group's net assets are exposed to currency risk resulting in gains and losses on retranslation into RMB.

The Group has not used any forward contracts to hedge its exposure to foreign currency risk. However, Management monitors the foreign exchange exposures and will consider hedging the significant foreign currency exposures should the need arise. In order to monitor the foreign exchange exposure, the Board go through the operation budgets, and review the currency profile of cash balances and considers the impact on an ongoing basis.

The split of the bank accounts held by the Group by currency has been disclosed in note 16.

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4. FINANCIAL RISK MANAGEMENT (continued)

##### (v) Price risk – market fluctuation

The Company's management of price risk, which arises primarily from quoted equity instruments, is through the careful selection of financial assets. The market risk variable is deemed to be the market price itself. A 15% change in the market price of those assets measured at fair value would have the following direct impact on the consolidated statement of comprehensive income:

15% movement in market price	2022		2021	
	Increase in variable RMB'000	Decrease in variable RMB'000	Increase in variable RMB'000	Decrease in variable RMB'000
Impact on profit/(loss)	511	(511)	659	(659)
Impact on net assets attributable to shareholders	511	(511)	659	(659)

##### (vi) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. The Group's capital structure primarily consists of equity attributable to owners of the parent entity, comprising issued capital, reserves and retained earnings.

#### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's significant accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Going concern assumption

The Group reported a significant trading loss for year ended 31 December 2022 and has significant net current liabilities. Note 2 discloses the estimates and judgements of Management in regard to the continued adoption of the going concern basis of preparation of these financial statements.

##### Allowance for expected credit losses

The management of the Group estimates the loss allowance for trade receivables by assessing risk of default. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables.

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### Fair value of financial instruments

The Group has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. These fair value measurements are in categories of different levels in the fair value hierarchy based on the inputs to valuation techniques used. The Group classifies financial instruments measured at fair value according to the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical instruments that the Group can access at the measurement date. Level 1 investments include quoted equity instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs that are not based on observable market data. Level 3 investments include private equity funds, unquoted equity and debt securities.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the instrument. The determination of what constitutes 'observable' requires significant judgment by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses the Group's financial instruments measured at fair value as of 31 December 2022 and 2021 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<b>Level 1</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>2022</b>		
Quoted equity securities - Taiwan	3,407	3,407
	_____	_____
<b>Total financial instruments measured at fair value</b>	<b>3,407</b>	<b>3,407</b>
	=====	=====
<b>2021</b>		
Quoted equity securities – Taiwan	4,395	4,395
	_____	_____
<b>Total financial instruments measured at fair value</b>	<b>4,395</b>	<b>4,395</b>
	=====	=====

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6. REVENUE

##### Information about major customers

The Group did not generate any revenue during the year ended 31 December 2021.

For the year ended 31 December 2022, Gowin sold agarwood incense powder to an independent third party of approximately RMB1.2 million. Since the Group does not have an establishment in Taiwan, Gowin signed an agreement with the customer and Fonyu Investment Consultancy Co. Ltd. ("Fonyu"), a related company of the Group with a common director, under which it was mutually agreed that Fonyu would be the invoicing and receipt agent on behalf of Gowin. The sales transactions were negotiated, concluded and executed by Gowin with the customer. Payment from the customer will be collected by Fonyu on behalf of Gowin, and as at 31 December this arrangement resulted in a trade receivable balance being due from a related party of approximately RMB1,266,000.

#### 7. SEGMENT INFORMATION

The business of the Group is primarily focused on the procurement, sales and distribution of agarwood for the year ended 31 December 2022. For the purpose of IFRS 8, the chief operating decision makers are the Group's executive directors. All of the Group's income is primarily derived from Taiwan. Internal and external reporting is on a consolidated basis, with transactions between Group companies eliminated on consolidation. Therefore, the financial information of the single segment is the same as that set out in the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows.

#### 8. FINANCE COSTS

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest expense on borrowings	321	305
Bank charges	4	4
	—	—
	<b>325</b>	<b>309</b>
	=====	=====

#### 9. EXPENSES BY NATURE

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Staff costs	916	1,044
Directors' remuneration	1,504	1,500
Auditors' remuneration	280	485
Other consultancy and professional fees	622	689
Other operating expenses	145	148
	—	—
	<b>3,467</b>	<b>3,866</b>
	=====	=====

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10. STAFF COSTS

The average number of employees, including Directors, employed by the Group was:

	<b>2022</b>	<b>2021</b>
Directors	2	2
Staff	4	4
	—	—
	<b>6</b>	<b>6</b>
	=====	=====

Staff costs, including Directors' costs comprise:

	<b>2022</b> <b>RMB'000</b>	<b>2021</b> <b>RMB'000</b>
Wages, salaries and other costs	2,400	2,517
Social security costs	20	27
	—	—
	<b>2,420</b>	<b>2,544</b>
	=====	=====

#### 11. TAXATION

The total tax charge for the year is RMB Nil (2021: RMB Nil).

The standard rate of corporation tax in the Cayman Islands applied to the Group is 0% (2021: 0%) and Gowin incurred losses in the current year. The Group is not subject to corporation tax in British Virgin Islands or Samoa Islands. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong. Deferred tax has not been recognised as there is insufficient evidence that the Group would have future profit to utilise the tax loss.

	<b>2021</b> <b>RMB'000</b>	<b>2020</b> <b>RMB'000</b>
Group loss before tax	(4,407)	(3,362)
Corporation tax for the period	-	-
	—	—
	=====	=====

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12. EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, as follows:

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss for the year	(4,407)	(3,362)
Weighted average number of shares	290,000,533	290,000,533
Basic and diluted loss per share (RMB)	(0.02)	(0.01)

There were no potential dilutive ordinary shares during the financial years ended 31 December 2021 and 2022.

#### 13. DIVIDENDS

No dividends were proposed or paid during the year (2021: Nil).

#### 14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2021</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Level 1 of fair value hierarchy		
At 1 January	4,395	3,834
Foreign exchange (loss)/gain	(52)	26
Fair value (loss)/gain	(936)	535
	-----	-----
At 31 December	<b>3,407</b>	<b>4,395</b>
	=====	=====

The Group holds 1,081,600 shares in TAIWAN THICK-FILM INDUSTRIES CORP. ("TTFI"), a company listed on Taipei Stock Exchange.

#### 15. TRADE AND OTHER RECEIVABLES

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables - related party (note 6)	1,266	13
Prepayments	38	48
Prepayments - related party	448	-
Amount due from related party	27	13
	-----	-----
	<b>1,779</b>	<b>74</b>
	=====	=====

## GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15. TRADE AND OTHER RECEIVABLES (continued)

The Group grants a credit period of 150 days for its trade receivables from related party, Fonyu.

For the year ended 31 December 2022, Gowin purchased agarwood incense powder from an independent third party of approximately RMB1.1 million. Since the Group does not have an establishment in Taiwan, Gowin signed an agreement with the supplier and Fonyu under which it was mutually agreed Fonyu to be the payment agent on behalf of Gowin upon receipt of an invoice from the supplier. The purchase transactions were negotiated, concluded and executed by Gowin with the supplier while payment to the supplier was performed by Fonyu on behalf of Gowin. As at 31 December 2022, a prepayment of RMB448,000 was paid to a Fonyu.

The amount due from related party, Fonyu, is unsecured, interest free and has no fixed repayment term.

#### Trade receivables

The ageing analysis of the Group's trade receivables from Fonyu net of loss allowance based on delivery date is as follows:

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current trade receivables</b>		
0 - 30 days	1,266	-
31 – 60 days	-	-
61 – 365 days	-	13
	<u>1,266</u>	<u>13</u>
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables	1,266	13
Less: Provision for impairment	-	-
	<u>1,266</u>	<u>13</u>

The Directors, based on historical information, existing market conditions as well as forward looking estimates, assessed that the loss allowance for trade receivables from Fonyu is immaterial and therefore no expected credit losses are provided as at 31 December 2022 (2021: nil).



**GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**16. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cash on hand	9	9
Cash at bank	806	2,321
	<hr/>	<hr/>
	<b>815</b>	<b>2,330</b>
	<hr/> <hr/>	<hr/> <hr/>

Cash at bank is denominated in the following currencies:

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
British Pound	518	2,178
Hong Kong Dollar	131	80
United States Dollar	67	6
New Taiwan Dollar	90	57
	<hr/>	<hr/>
	<b>806</b>	<b>2,321</b>
	<hr/> <hr/>	<hr/> <hr/>

**GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. TRADE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables	368	368
Accruals and other payable	364	372
Amount due to key management personnel	12,931	11,072
	<u>          </u>	<u>          </u>
	<b>13,663</b>	<b>11,812</b>
	<u>          </u>	<u>          </u>
<b>Trade payables</b>		

The ageing analysis of the Group's trade payables based on invoice date is as follows:

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current trade payables</b>		
0 - 30 days	-	-
31 – 60 days	-	-
Over 365 days	368	368
	<u>          </u>	<u>          </u>
	<b>368</b>	<b>368</b>
	<u>          </u>	<u>          </u>

**18. LOANS FROM EQUITY HOLDERS**

The Group received and repaid the following loans from equity holders:

	<b>1 January</b>	<b>New loans and</b>	<b>31 December</b>
	<b>2022</b>	<b>accrued interest</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Loans	14,560	1,758	16,318
	<u>          </u>	<u>          </u>	<u>          </u>
	14,560	1,758	16,318
	<u>          </u>	<u>          </u>	<u>          </u>

The loans from equity holders are unsecured with 2% p.a. interest charge. Loans from certain equity holders are repayable in November 2024 and therefore are classified as non-current. All equity holders have confirmed their undertakings not to demand repayment of amounts owed to them until there are funds available for repayment.

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current portion	11,330	14,560
Non-current portion	4,988	-
	<u>          </u>	<u>          </u>
	<b>16,318</b>	<b>11,812</b>
	<u>          </u>	<u>          </u>

**GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. SHARE CAPITAL**

	<b>Number</b>	<b>RMB'000</b>
Ordinary Shares	290,000,533	290,000
Preference Shares	2,195,000	2,195
	<hr/>	<hr/>
As at 31 December 2022	<b>292,195,533</b>	<b>292,196</b>
	<hr/> <hr/>	<hr/> <hr/>

**20. RELATED PARTY TRANSACTIONS**

The ultimate controlling party of the Group is Mr Chen Chih-Lung.

**Key management personnel compensation**

	<b>2022 RMB'000</b>	<b>2021 RMB'000</b>
Chen Chih-Lung (Chief Executive Officer)	1,200	1,200
Garry Willinge (Non-executive Chairman)	304	330
Shu Yi How (Chief Financial Officer)	713	763
	<hr/>	<hr/>
	<b>2,217</b>	<b>2,293</b>
	<hr/> <hr/>	<hr/> <hr/>

Refer to Note 17 for the remuneration due to the key management personnel.

	<b>2022 RMB'000</b>	<b>2021 RMB'000</b>
Chen Chih-Lung	11,884	10,741
Garry Willinge	26	25
Shu Yi How	1,021	306
	<hr/>	<hr/>
	<b>12,931</b>	<b>11,072</b>
	<hr/> <hr/>	<hr/> <hr/>

**GOWIN NEW ENERGY GROUP LIMITED AND ITS SUBSIDIARIES****NOTES TO THE NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****20. RELATED PARTY TRANSACTIONS (continued)****Mr. Chen Chih-Lung**

Refer to Notes 17 and 18 for the amount due to key management personnel and loans from equity holders.

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables	368	368
Amount due to key management personnel	11,884	10,741
Loans and accrued interest due to Mr. Chen Chih-Lung	11,204	9,550
	<u>23,456</u>	<u>20,659</u>

**Fonyu**

	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Commission revenue	11	14
Trade receivables	1,266	-
Prepayment	448	-
Amount due from related party	27	13
Other payables	(45)	(46)
	<u>1,696</u>	<u>(33)</u>

**21. EVENTS OCCURRING AFTER THE REPORTING DATE**

On 8 June 2023, the Group announced that it had entered into a Loan Agreement (the "Loan Agreement") with Mr Chen Chih-Lung, the Chief Executive Officer. The amount of the loan is GBP 20,000, and is used as operation fund.