

RNS Miscellaneous

Interim Results

Released 07:00:05 28 September 2021

RNS Number : 1211N
Gowin New Energy Group Limited
28 September 2021

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

Interim Results for the Six Months Ended 30 June 2021

Gowin New Energy Group Limited, engaged in the research and development, outsourcing and sales of LED lighting products, and the tea trading business, today announces its unaudited financial results for the six months ended 30 June 2021.

2021 Interim Report Chairman's Statement

Gowin New Energy Group Limited (the "Group" or "Gowin") is pleased to release its 2021 Interim Report for the period 1 January 2021 to 30 June 2021. There has been no material change to the financial position of the Group since the 2020 Annual Report.

Gowin has historically been engaged in the sale and investment of LED related products based in Taiwan. The LED industry is in decline globally and the Group will only pursue projects opportunistically, where economical. The Group has a continuing minority interest 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.

In addition, prior to the global pandemic, Gowin began working on launching a new 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. The Group continues its work to formally launch the tea business, subject to improved COVID-19 conditions in both China and Taiwan. This includes working with the Pu-erh Tea Association, on business cooperation, details of which are planned to be reported when finalised.

The Group has continued to provide a safe working environment for its workforce and introduced preventive measures to reduce the spread of COVID-19 in the workplace, including working from home. The Group will continue to impose appropriate measures to minimise the adverse impact on its people and the business operation of the Group; it will continue to pay close attention to the development of the COVID-19 outbreak and respond to its impact, if any, on the Group.

As previously reported, the Directors were pleased to announce the appointment of the Group's new AQSE Corporate Adviser, Novum Securities Limited ("Novum") on 8 April 2021.

On 3 August 2021, the Group announced that Mr. Wang Huai Chun, the Group's Chief Financial Officer, had stepped down from his role with immediate effect. The Group would like to thank Mr. Wang for his valuable service to the Company. The Group has appointed Mr. Shu Yi How as its new Chief Financial Officer with effect from 3 August 2021.

The Group is exploring potential new business opportunities. The Directors look forward to providing updates on the next stage of the Group's business activities in due course.

CEO Mr Chen Chih-Lung has committed to continue 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 10 August 2021.

The Directors 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.

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

For further information please visit company's website at www.gowingrp.com or contact the following:
Garry Willinge Gowin New Energy Group Limited +852 9100 9972

David Coffman / Daphne Zhang Novum Securities Limited +44 207 399 9400

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**INDEPENDENT REVIEW REPORT TO GOWIN NEW ENERGY GROUP LIMITED****Introduction**

We have been engaged by the Group to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Consolidated Balance Sheet, Condensed Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AQSE Rules for Issuers.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

This report, including the conclusion, is made solely to the Group for the purpose of the AQSE Rules for Issuers. We do not, in producing this report, accept or assume responsibility to anyone, other than the Company, for our work, for this report, or for the conclusion we have formed. This report may not be provided to third parties without our prior written consent.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the AQSE Rules for Issuers.

PKF Littlejohn LLP**Statutory Auditor**

15 Westferry Circus
Canary Wharf
London
E14 4HD

27 September 2021

Condensed consolidated statement of comprehensive income**For the six months ended 30 June 2021**

		Six months ended 30 June 2020 RMB'000 (Unaudited)	Six months ended 30 June 2019 RMB'000 (Unaudited)
Continuing Operations	Note		
Revenue	7	-	8
Cost of sales		-	-
Gross profit		-	8
Administrative expenses	10	(1,852)	(1,842)
Operating loss		(1,852)	(1,834)
Finance costs	9	(153)	(91)
Other income/ (loss)		5	-
Investment gain/(loss)		399	(76)
Foreign exchange gain/(loss)		(29)	178
Loss before tax		(1,630)	(1,823)

Tax	11	-	-
Loss from continuing operations		(1,630)	(1,823)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to owners of the parent		(1,630)	(1,823)
Loss per share attributable to owners of the parent during the period expressed in RMB per share			
Basic and diluted loss per share	12	(0.006)	(0.006)

Condensed consolidated statement of financial position
As at 30 June 2021

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Assets				
Non-Current Assets				
Long-term investments	14	4,292	2,217	3,834
Current assets				
Trade and other receivables	15	43	87	95
Cash in bank	16	2,609	2,338	2,345
		6,944	4,642	6,274
Total assets		6,944	4,642	6,274
Current Liabilities				
Loans from equity holders	17	(14,199)	(11,272)	(12,536)
Trade and other payables	17	(10,657)	(9,203)	(9,949)
Total liabilities		(24,856)	(20,475)	(22,485)
Net liabilities		(17,912)	(15,833)	(16,211)
Equity attributable to owners of the Company				
Share capital	18	29,000	29,000	29,000
Preference share	18	2,195	2,195	2,195
Retained losses		(49,107)	(47,029)	(47,406)
Total equity		(17,912)	(15,833)	(16,211)

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2021

	Attributable to owners of the Company			
	Share capital RMB'000	Preference share RMB'000	Retained losses RMB'000	Total RMB'000
For the six months ended 30 June 2020 (Unaudited)				
Balance as at 1 January 2020 (Audited)	29,000	-	(45,206)	(16,206)
Loss for the period	-	-	(1,823)	(1,823)

Total comprehensive income for the period	-	-	(1,823)	(1,823)
Total transactions with owners, recognized directly in equity				
Issue of preference shares	-	2,195	-	2,195
Balance as at 30 June 2020	29,000	2,195	(47,029)	(15,834)
For the six months ended 30 June 2021 (Unaudited)				
Balance as at 1 January 2021 (Audited)	29,000	2,195	(47,477)	(16,282)
Loss for the period	-	-	(1,630)	(1,630)
Total comprehensive income for the period	-	-	(1,630)	(1,630)
Balance as at 30 June 2021	29,000	2,195	(49,107)	(17,912)

Condensed consolidated statement of cash flows
For the six months ended 30 June 2021

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Six months ended 30 June 2020 RMB'000 (Unaudited)
Cash Flows used in Operating Activities		
Loss before tax	(1,630)	(1,823)
Finance cost	150	87
Investment loss/(gain)	(399)	76
Foreign currency loss/(gain)	91	(88)
Decrease/(Increase) in trade and other receivables	53	35
(Decrease)/Increase in trade and other payables	665	854
Net cash used in operating activities	(1,070)	(859)
Cash Flows generated from Financing Activities		
Shareholders' loans	1,334	455
Finance income	-	(5)
Net cash generated from financing activities	1,334	450
Net increase/(decrease) in cash and cash equivalents	264	(409)
Cash and cash equivalents at beginning of period	2,345	2,747
Cash and cash equivalents at end of period	2,609	2,338

Notes to the condensed consolidated interim financial information
For the six months ended 30 June 2021

1. General information

Gowin New Energy Group Limited ("the Company") was 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 and the main business office is located at 4F., No. 5, Ln. 332, Siyuan Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.).

The principal activity of Gowin New Energy Group Limited and its subsidiaries ("the Group") has historically been the research and development, outsourcing and sales of LED lighting products, and the tea trading business. The Group is continuing with its corporate restructuring including investing in businesses in related fields.

During this period of corporate restructuring, the CEO, Mr. Chen Chih Lung, has supported the Group financially by way of loans and guarantees.

The Company's shares are listed on the AQUIS Stock Exchange (AQSE).

The condensed consolidated interim financial information is presented in Renminbi ("RMB"), which is the presentational and functional currency of the Group, and all values are rounded to the nearest thousand except where indicated otherwise.

2. Basis of Preparation

The non-statutory condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) Interpretations.

The condensed interim consolidated financial statements have been prepared under the historical cost convention, except for equity investments held at fair value through profit or loss.

The preparation of the condensed interim consolidated financial statements in conformity with IFRS 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.

-New and amended accounting standards adopted by the Group

Effective during the period

There are no new standards or amendments to standards adopted in the period which have a material impact on the financial position or performance of the Group.

- IFRS 10 & IAS 28 – The Amendments of asset sales or investment between investors and their affiliates or joint ventures" are subject to the decision of the international accounting standards board.

The adoption of the above standards and amendments did not have any impact on the financial position or performance of the Group.

Not yet effective

At the date of authorisation of these non-statutory condensed interim consolidated financial statements, the following Standards, amendments and interpretations were not yet effective:

- Annual improvements for the 2018-2020 cycle will take effect in January 2022.
- IFRS 3 – The Amendments of the updated index to conceptual framework will take effect on 1 January 2022.
- IAS 1 – The Amendments of classification of liabilities as current or non-current are effective on 1 January 2022.

The Group is evaluating the impact of the new and amended standards above. The Directors do not expect that these new and amended standards will have a material impact on the Group's results or shareholders' funds.

3. Going Concern

The non-statutory condensed interim consolidated financial statements have been prepared on a going concern basis.

The Group reported a net loss after tax of RMB 1,630,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: loss of RMB 1,823,000). 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 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 the condensed interim financial statements.

Additionally, the Group expects to make a placement for new preferred shares to support the Tea Business.

Based on the above, 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 non-statutory condensed interim consolidated financial statements do not include any adjustments that may be required should the Group be unable to continue as a going concern.

4. Risks and uncertainties

The additional activities planned for the Group will add new challenges, risks and uncertainties. The Board is actively reviewing the impact of its plans but does not immediately see any variations in the key financial risks other than the valuation of investments.

5. Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 5 of the Group's 2020 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

6. Significant accounting policies

The condensed consolidated interim financial information has been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the Group's 2020 Annual Report and Financial Statements.

7. Segment information

The business of the Group is primarily focused on the procurement, sales and distribution of tea products. For the purpose of IFRS 8, the chief operating decision makers are the Directors. All of the Group's activities is derived from Taiwan and China. 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. Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

9. Finance cost

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Six months ended 30 June 2020 RMB'000 (Unaudited)
Interest cost	150	88
Bank charge	3	3
Total finance cost	153	91

Gowin New Energy Group Limited

Notes to the condensed consolidated interim financial information

For the six months ended 30 June 2021

10. Expense by nature

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Six months ended 30 June 2020 RMB'000 (Unaudited)
Staff costs	522	525
Directors' remuneration	750	763
Auditors' remuneration	179	78
Other professional fees	327	409
Other operating expenses	74	67
Total administrative expenses	1,852	1,842

11. Income tax

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Six months ended 30 June 2020 RMB'000 (Unaudited)
Current income tax for the period	-	-
	-	-

The Group is not subject to taxation in the Cayman Islands, British Virgin Islands or Samoa Islands.

No provision for Hong Kong or Chinese taxation has been made as the Group has not generated any taxable profit in Hong Kong, Taiwan or China.

12. Loss per share

Loss per share for the period ended 30 June 2021 is calculated by dividing RMB 1,630,000 loss for the period attributable to the equity holders of the Company by the average number of shares, of 290,000,533.

Six months Six months

	ended 30 June 2021 RMB (Unaudited)	ended 30 June 2020 RMB (Unaudited)
--	--	---

Basic and diluted loss per share (RMB)	<u>(0.006)</u>	<u>(0.006)</u>
--	----------------	----------------

No diluted loss per share are presented as there are no potential ordinary shares outstanding for the six months ended 30 June 2021 and 2020.

13. Dividend

No dividends were proposed during the reporting period and the Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2021.

14. Long term investments

Quoted equity securities

	RMB'000
As at 1 January 2021	3,834
Investment gain(loss)	399
Foreign exchange gain(loss)	59
As at 30 June 2021	<u>4,292</u>

The Company holds 1,081,600 shares in Taiwan Thick-Film Industries Corp., a company listed on Taipei Stock Exchange.

15. Trade and other receivables

	As at 30 June 2021 RMB'000 (Unaudited)	As at 30 June 2020 RMB'000 (Unaudited)
Guarantee deposits paid	16	17
Prepayment	4	48
Loans to related party	13	13
Amounts due from related party	10	9
	<u>43</u>	<u>87</u>

The amounts due from related party and the loans to related party were unsecured, interest-free and repayable on demand. The related party is controlled by a director of the Group.

16. Cash and cash equivalents

	As at 30 June 2021 RMB'000 (Unaudited)	As at 30 June 2020 RMB'000 (Unaudited)
Cash on hand	9	9
Cash at bank and in hand	2,600	2,329
	<u>2,609</u>	<u>2,338</u>

17. Trade and other payables

	As at 30 June 2021 RMB'000 (Unaudited)	As at 30 June 2020 RMB'000 (Unaudited)
Trade payables	368	368
Accruals and other payables	92	642
Loans from equity holders	14,199	11,272
Amount due to key management personnel	10,197	8,191
Receipt in advance	-	2
	<u>24,856</u>	<u>20,475</u>

The loans from equity holders bear interest rate of 2% and are repayable in November 2021.

18. Share capital

	No. of 1p ordinary shares	RMB'000
As at 1 January 2021	<u>290,000,533</u>	<u>29,000</u>
Issue of shares	-	-
As at 30 June 2021	<u>290,000,533</u>	<u>29,000</u>

No. of 1p

RMB'000

	preference shares	
As at 1 January 2021	2,195,400	2,195
Issue of shares	-	-
As at 30 June 2021	2,195,400	2,195

19. Related party transactions

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

20. Approval of interim financial information

The condensed consolidated interim financial information was approved by the Board of Directors on 27 September 2021.

21. Events after reporting date

The Group has obtained loans from the CEO Mr. Chen Chih Lung of £30,000 on 10 August 2021. These loans demonstrate his continuous commitment to support the working capital needs of the Group as when required.

The Group has agreed to extend the repayment date of loans from equity holders to November 2022. Interest is unchanged at 2% per annum.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

NEXEDLFLFKLEBBE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

© 2021 London Stock Exchange plc. All rights reserved.