WINSUN TECHNOLOGIES BERHAD
(Company No: 766535 P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

PRINCIPAL BASES AND ASSUMPTIONS TO THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2007 AND 31 DECEMBER 2008

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below:-

1. There will be no material changes in WINSUN Group structure or principal activities or composition of the Group subsequent to the admission to the MESDAQ Market of Bursa Securities. WINSUN Group will be able to maintain its current customer base, secure additional new customers and achieve positive market presence.

2. There will be no significant changes in the prevailing economic, technology and political climate in China, Malaysia and elsewhere which will adversely affect the activities and the demand, saleability and pricing of its products and services or the markets in which it operates which will adversely affect WINSUN Group's performance and the business of its major customers.

3. There will be no material changes in present legislation, Government policies or regulations in China, Malaysia and elsewhere, the regulations of the MESDAQ Market and guidelines of the regulatory authorities affecting WINSUN Group's activities or the markets in which it operates.

4. There will be no significant changes in the bases and rates of duties, levies and taxes affecting WINSUN Group's activities or the markets in which it operates.

5. There will be no major industrial disputes or any other abnormal circumstances including exceptional bad debts that will adversely affect the operations of WINSUN Group or the market in which it operates.

6. There will not be any material fluctuation in inflation rates, interest rates and exchange rates of foreign currencies against Ringgit Malaysia from the present levels.

7. Inflation is assumed at the prevailing rate and all the estimate and forecast sales, purchases and expenses have included the inflation factor.

8. There will be no material deviation in accounting, management and costing policies adopted by WINSUN Group that will adversely affect the performance of WINSUN Group.

WINSUN TECHNOLOGIES BERHAD
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PRINCIPAL BASES AND ASSUMPTIONS TO THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2007 AND 31 DECEMBER 2008 (CONT'D)

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below (cont'd):-

9. There will be no significant changes in the price of raw materials, cost of goods purchased, labour costs and other incidental cost which will adversely affect WINSUN Group's profitability. There will be no significant shortage in skilled and unskilled expertise or labour required.

10. There will be no material changes in the existing key personnel and management of WINSUN Group that will adversely affect the operations and performance of WINSUN Group.

11. There will be no major breakdowns or disruption in the operational and manufacturing facilities, disruption from supplies of materials or other abnormal factor in China, which will adversely affect WINSUN Group's operations.

12. There will be no material acquisition or disposal of property, plant and equipment and capital expenditure other than those taken into consideration in the estimate and forecast and there will be no major delays or variations in the implementation of approved capital expenditure program of WINSUN Group.

13. WINSUN Group will not engage in any material litigation and there will be no legal proceedings against WINSUN Group which will adversely affect the activities and performance of WINSUN Group or give rise to any contingent liabilities which will materially affect the financial position and business of WINSUN Group.

14. WINSUN Group will achieve the selling prices as per estimated and forecasted and the targeted sales mix of WINSUN Group's products and services and its customers segmentation will be achieved as planned. Sales and related costs as estimated and forecasted by the Directors, take into consideration the present market condition of selling prices and related costs of WINSUN Group, are consistent with the business plans of WINSUN Group. There would be no significant changes to the prices and utilisation rate of hardware and software, labour and operating costs of WINSUN Group.

15. Existing and future financing facilities will be available to WINSUN Group with no significant changes in interest rates and repayment terms.

WINSUN TECHNOLOGIES BERHAD
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PRINCIPAL BASES AND ASSUMPTIONS TO THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2007 AND 31 DECEMBER 2008 (CONT'D)

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below (cont'd):-

16. There will not be material loss of WINSUN Group's existing customers that will materially affect the revenue of the Group. The Group will not experience exceptional level of bad or doubtful debts.

17. There will be no significant changes to the existing and future arrangements and collaborations with the existing and identified partners of WINSUN Group.

18. The timing and quantum of estimated and forecasted income and costs will be generated and incurred as planned.

19. The customers of WINSUN Group will fulfill the project requirement and contractual obligation by WINSUN Group.

20. All existing licenses and permits granted to WINSUN Group will not be withdrawn and will be renewed by the relevant authorities. All licenses and permits required by WINSUN Group in respect of future operations will be obtained.

21. WINSUN Group's products and services will not be obsolete and will be enhanced to keep pace with amongst others, emerging client needs, preferences and advance technology. There will not be significant defects, errors, or incidents that would materially affect the business and/or profitability of WINSUN Group.

22. There will not be any substantial impairment to the carrying value of the Group's property, plant and equipment and other non-current assets.

11.14 Directors' Analysis and Comments on the Consolidated Profit Estimate and Forecast

Our Directors have prepared and analysed the bases and assumptions used in arriving at the Consolidated Profit Estimate and Forecast of our Group for the FYE 31 December 2007 and 2008 and are of the opinion that the Consolidated Profit Estimate and Forecast is fair and reasonable. Our opinion was arrived at after taking into consideration the following:

- Future plans, strategies and prospects of our Group as disclosed in Section 5.9 and the industry in view of the rapid growth and industrialisation of the Chinese economy as disclosed in Section 6 of this Prospectus;
- The current financial performance and level of operations of our Group as disclosed in Section 11; and
- Our gearing, liquidity and working capital requirements.

The revenue estimate for the FYE 31 December 2007 is derived based on the audited revenue and contracts secured as disclosed in the Consolidated Profit Estimate and Forecast of our Group for the FYE 31 December 2007 and 2008 set out in Section 11.13 of this Prospectus. We expect to achieve the estimated revenue of RM59.10 million for the FYE 31 December 2007 as we do not expect any change in the business and operating conditions of our business.

The forecasted revenue for the FYE 31 December 2008 is derived based on the expected repetitive purchase orders as disclosed in the Consolidated Profit Estimate and Forecast set out in Section 11.13 of this Prospectus. We are of the opinion that the profit forecast is achievable as our Directors do not foresee any likely change in business and operating conditions that will materially impact our forecast.

Nevertheless, the profit estimate and forecast are based on subjective judgments and there can be no assurance that the profit estimate and forecast will be realised. Accordingly, our Group's actual results for the FYE 31 December 2007 and 2008 may differ from the estimate and forecast figure shown herein.

11.15 Dividend Forecast and Policy

Our Directors have considered the general principles that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends. The actual dividend that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors. We may, by ordinary resolution of the shareholders, declare dividends at a general meeting, but no dividend shall exceed the amount recommended by our Board of Directors.

In considering the level of dividend payments, if any, upon recommendation by our Directors, we intend to take into account various factors including:

(i) our expected results of operations;

(ii) required and expected interest expense and taxation, cash flows, our profits and return on equity and retained earnings;

(iii) our projected levels of capital expenditure and other investment plans;

(iv) the prevailing interest rates and yields of the financial market; and

(v) the level of our cash, marketable financial assets and level of indebtedness.

It will be the policy of our Directors in recommending dividends to allow shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Our Board has not estimated nor forecasted any dividend for the FYE 31 December 2007 and 2008.

You should note that future dividends proposed and declared, may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

11.16 Sensitivity Analysis

The following sensitivity analysis is prepared based on the estimate and forecast assumptions as set out in the Reporting Accountants' Letter on the Consolidated Profit Estimate and Forecast in Section 11.13 of this Prospectus and attempts to show the impact on our consolidated profit estimate and forecast assuming all other things remain unchanged except for 5% and 10% upward and downward variation in the revenue, cost of sales and operating cost. Notwithstanding the impact of the variations in revenue, cost of sales and operating cost, there may exists other factors which have not been taken into account, variations of which may have a significant impact, either positively or negatively, on our financials. The sensitivity analysis is as follows:

(a) Variation in Revenue

		FYE 31 December 2007			
		Revenue RM'000	**Change %**	**PBT RM'000**	**Change %**
Estimate		59,100		6,273	
Increase by	5.0%	62,055	+5.00	9,228	+47.11
	10.0%	65,010	+10.00	12,183	+94.21
Decrease by	5.0%	56,145	-5.00	3,318	-47.11
	10.0%	53,190	-10.00	363	-94.21

		FYE 31 December 2008			
		Revenue RM'000	**Change %**	**PBT RM'000**	**Change %**
Forecast		81,069		10,492	
Increase by	5.0%	85,122	+5.00	14,545	+38.63
	10.0%	89,176	+10.00	18,599	+77.27
Decrease by	5.0%	77,016	-5.00	6,439	-38.63
	10.0%	72,962	-10.00	2,385	-77.27

11. FINANCIAL INFORMATION *(Cont'd)*

(b) Variation in Cost of Sales

		FYE 31 December 2007			
		Cost of Sales RM'000	Change %	PBT RM'000	Change %
Estimate		50,885		6,273	
Increase by	5.0%	53,429	+5.00	3,729	-40.55
	10.0%	55,974	+10.00	1,184	-81.11
Decrease by	5.0%	48,341	-5.00	8,817	+40.55
	10.0%	45,797	-10.00	11,361	+81.11

		FYE 31 December 2008			
		Cost of Sales RM'000	Change %	PBT RM'000	Change %
Forecast		68,098		10,492	
Increase by	5.0%	71,503	+5.00	7,087	-32.45
	10.0%	74,908	+10.00	3,682	-64.91
Decrease by	5.0%	64,693	-5.00	13,897	+32.45
	10.0%	61,288	-10.00	17,302	+64.91

(c) Variation in Operating Cost

		FYE 31 December 2007			
		Operating Cost RM'000	Change %	PBT RM'000	Change %
Estimate		2,915		6,273	
Increase by	5.0%	3,061	+5.00	6,127	-2.33
	10.0%	3,207	+10.00	5,981	-4.64
Decrease by	5.0%	2,769	-5.00	6,419	+2.33
	10.0%	2,624	-10.00	6,564	+4.64

		FYE 31 December 2008			
		Operating Cost RM'000	Change %	PBT RM'000	Change %
Forecast		3,537		10,492	
Increase by	5.0%	3,714	+5.00	10,315	-1.69
	10.0%	3,891	+10.00	10,138	-3.37
Decrease by	5.0%	3,360	-5.00	10,669	+1.69
	10.0%	3,183	-10.00	10,846	+3.37

11.17 Reporting Accountants' Letter on the Proforma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)

Shamsir Jasani Grant Thornton

Chartered Accountants

REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION
(Prepared for inclusion in this Prospectus)

Date: 30 November 2007

The Board of Directors
Winsun Technologies Berhad
Level 15-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sirs,

WINSUN TECHNOLOGIES BERHAD AND ITS SUBSIDIARY COMPANIES
PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the presentation of the Proforma Consolidated Financial Information of Winsun Technologies Berhad ("WINSUN" or "the Company") and its subsidiary companies Shanghai Winner Electrical Co., Ltd. ("WINNER") and Shanghai Winco Electrical Co., Ltd. ("WINCO") (collectively known as "WINSUN Group" or "The Group") for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007, together with the notes and assumptions thereto, as set out in this Prospectus, which we have stamped for the purpose of identification, in connection with the listing of and quotation for the entire enlarged issued and fully paid-up share capital of WINSUN on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Proforma Consolidated Financial Information have been prepared for illustrative purposes only on the basis of assumptions as set out below and after making certain adjustments to show that:-

i) the financial results of WINSUN Group for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the years being reported on;

ii) the financial position of WINSUN Group as at 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place on that date, adjusted for the acquisitions, share split, public issue and bonus issue; and

iii) the cash flows of WINSUN Group for the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the financial period ended 30 June 2007.

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The Proforma Consolidated Financial Information, because of its nature, may not give a true picture of WINSUN Group's actual financial results, financial position and cash flows. Further, such information does not predict the Group's future financial position, results and cash flows.

It is the sole responsibility of the Directors of WINSUN Group to prepare the Proforma Consolidated Financial Information in accordance with the requirements of the Prospectus Guidelines in respect of Public Offerings issued by the Securities Commission. Our responsibility is to form an opinion as required by the Prospectus Guidelines on the Proforma Consolidated Financial Information and our report is given to you solely for this, and no other purpose.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Proforma Consolidated Financial Information, nor do we accept responsibility for such reports or opinions beyond that is owed to those to whom those reports or opinions were addressed by us at the date of their issue.

Our work, which involved no independent examination of any of the underlying financial information, primarily to compare the Proforma Consolidated Financial Information with the audited financial statements, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Financial Information with the Directors of WINSUN Group.

In our opinion, the Proforma Consolidated Financial Information together with the accompanying notes which are provided solely for illustrative purposes only,

(a) have been properly compiled on a basis of preparation as stated in the notes thereto; such basis is consistent with the accounting policies normally adopted by WINSUN Group;

(b) the adjustments are appropriate for the purposes of the Proforma Consolidated Financial Information; and

(c) the financial statements used in the preparation of the Proforma Consolidated Financial Information were prepared in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

Stamped for the purpose of identification on:
3 0 NOV 2007
Shamsir Jasani Grant Thornton

Shamsir Jasani Grant Thornton

Subject to the matters stated in the preceding paragraphs:-

(i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors of WINSUN Group, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit estimate and forecast; and

(ii) in our opinion, the consolidated profit estimate and forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by WINSUN Group in its audited financial statements for the financial period ended 30 June 2007.

The accompanying estimate and forecast and this letter have been prepared solely for inclusion in the Prospectus in connection with the abovementioned transactions. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,

SHAMSIR JASANI GRANT THORNTON
NO. AF: 0737
CHARTERED ACCOUNTANTS

DATO' N.K. JASANI
NO: 708/03/08 (J/PH)
PARTNER OF THE FIRM

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WINSUN TECHNOLOGIES BERHAD
(Company No: 766535 P)
(Incorporated in Malaysia)
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Basis of preparation of Proforma Consolidated Financial Information

1. The Proforma Consolidated Financial Information have been prepared to illustrate that:-

   a) the financial results of WINSUN Group for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the years being reported on;

   b) the financial position of WINSUN Group as at 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place on that date, adjusted for the acquisitions, share split, public issue and bonus issue; and

   c) the cash flows of WINSUN Group for the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the financial period ended 30 June 2007.

2. The Proforma Consolidated Financial Information has been prepared based on the audited financial statements of WINSUN and its subsidiary companies for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 using the bases and the accounting principles consistent with those adopted in the audited consolidated financial information, after giving effect to the proforma adjustments which is considered appropriate.

3. For illustrative purposes, it was assumed that the acquisitions of WINNER and WINCO which were completed subsequent to the financial period ended 30 June 2007 took place prior to 1 January 2004 in arriving at the proforma consolidated financial results for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007.

4. The Proforma Consolidated Financial Information have been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the actual financial position, results and cash flows of WINSUN Group.

5. The audited financial statements of WINSUN and its subsidiary companies for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 were prepared in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

WINSUN TECHNOLOGIES BERHAD
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AND ITS SUBSIDIARY COMPANIES

Basis of preparation of Proforma Consolidated Financial Information

1. The Proforma Consolidated Financial Information have been prepared to illustrate that:-

   a) the financial results of WINSUN Group for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the years being reported on;

   b) the financial position of WINSUN Group as at 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place on that date, adjusted for the acquisitions, share split, public issue and bonus issue; and

   c) the cash flows of WINSUN Group for the financial period ended 30 June 2007 would have been if the group structure as of the date of the Prospectus had been in place since the beginning of the financial period ended 30 June 2007.

2. The Proforma Consolidated Financial Information has been prepared based on the audited financial statements of WINSUN and its subsidiary companies for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 using the bases and the accounting principles consistent with those adopted in the audited consolidated financial information, after giving effect to the proforma adjustments which is considered appropriate.

3. For illustrative purposes, it was assumed that the acquisitions of WINNER and WINCO which were completed subsequent to the financial period ended 30 June 2007 took place prior to 1 January 2004 in arriving at the proforma consolidated financial results for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007.

4. The Proforma Consolidated Financial Information have been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the actual financial position, results and cash flows of WINSUN Group.

5. The audited financial statements of WINSUN and its subsidiary companies for the financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007 were prepared in accordance with applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

WINSUN TECHNOLOGIES BERHAD
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(i) PROFORMA CONSOLIDATED INCOME STATEMENTS

The Proforma Consolidated Income Statements of WINSUN Group for the past three (3) financial years ended ("FYE") 31 December 2004 to 2006 and the financial period ended ("FPE") 30 June 2007 are provided for illustrative purposes based on the audited financial statements of WINSUN, WINNER and WINCO assuming that WINSUN Group has been in existence throughout the financial years/period under review. Adjustments were made to the Proforma Consolidated Income Statements to account for retrospective effects of the acquisitions of WINNER and WINCO which were completed subsequent to the financial period ended 30 June 2007.

Year/Period ended	31/12/2004 RM	31/12/2005 RM	31/12/2006 RM	30/6/2007 RM
Revenue	24,235,053	28,397,096	39,691,106	27,160,731
Gross profit	2,042,916	3,380,184	4,587,336	5,036,741
Profit before amortisation, depreciation, interest, and taxation	69,540	2,279,665	3,228,706	3,514,057
Amortisation	-	-	-	(56,926)
Depreciation	(143,677)	(190,382)	(196,304)	(139,113)
Interest expenses	(11,282)	(73,867)	(38,790)	(15,847)
(Loss)/Profit before taxation but after amortisation, depreciation and interest ["(LBT)"/"PBT"]	(85,419)	2,015,416	2,993,612	3,302,171
Taxation	(52,692)	(29,407)	(42,206)	(275,974)
(Loss)/Profit after taxation ["(LAT)"/"PAT"]	(138,111)	1,986,009	2,951,406	3,026,197
Gross profit margin (%)	8.43	11.90	11.56	18.54
(LBT)/PBT margin (%)	(0.35)	7.10	7.54	12.16
(LAT)/PAT margin (%)	(0.57)	6.99	7.44	11.14
Number of ordinary shares of RM0.10 each assumed to be issued #	70,000,000	70,000,000	70,000,000	70,000,000
(Loss)/Gross earnings per share ["(LPS)"/"EPS"] (sen)	(0.12)	2.88	4.28	9.43*
Net (LPS)/EPS (sen)	(0.20)	2.84	4.22	8.65*

WINSUN TECHNOLOGIES BERHAD
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i) PROFORMA CONSOLIDATED INCOME STATEMENTS (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED INCOME STATEMENTS

1. The Proforma Consolidated Income Statements have been prepared based on the audited financial statements of WINSUN, WINNER and WINCO for the past three (3) financial years ended 31 December 2004 to 2006 and the financial period ended 30 June 2007.

2. There were no extraordinary or exceptional items in all the financial years/period under review.

3. WINSUN Group's results have been restated through appropriate consolidation adjustments to eliminate inter-company transactions under the existing group structure.

\# As WINSUN was only incorporated on 21 March 2007, the number of ordinary shares of RM0.10 each assumed to be issued was computed using the issued and fully paid-up ordinary share capital of WINSUN assuming the acquisitions of WINNER and WINCO have been completed on 1 January 2004.

* Annualised

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WINSUN TECHNOLOGIES BERHAD
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(ii) PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets of WINSUN Group as at 30 June 2007 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Proforma Consolidated Balance Sheets on the assumption that these transactions were completed on 30 June 2007.

	WINSUN as at 30 June 2007 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM
SHARE CAPITAL	2	7,000,000	7,000,000	10,000,000	30,000,000
RESERVES	(3,480)	11,993	11,993	20,011,993	11,993
Total shareholders' equity	(3,478)	7,011,993	7,011,993	30,011,993	30,011,993
Represented by:-					
NON-CURRENT ASSETS					
Property, plant and equipment	-	1,014,755	1,014,755	3,314,755	3,314,755
Development costs	-	383,895	383,895	7,283,895	7,283,895
Total non-current assets	-	1,398,650	1,398,650	10,598,650	10,598,650
CURRENT ASSETS					
Inventories	-	909,024	909,024	909,024	909,024
Trade receivables	-	4,208,403	4,208,403	4,208,403	4,208,403
Other receivables	21,593	2,563,981	2,563,981	2,563,981	2,563,981
Amount due from customers on contracts	-	7,996,978	7,996,978	7,996,978	7,996,978
Cash and bank balances	14,994	629,980	629,980	13,579,092	13,579,092
Total current assets	36,587	16,308,366	16,308,366	29,257,478	29,257,478

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WINSUN TECHNOLOGIES BERHAD
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(ii) PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

	WINSUN as at 30 June 2007 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM
CURRENT LIABILITIES					
Trade payables	-	1,861,435	1,861,435	1,861,435	1,861,435
Other payables	-	7,670,905	7,670,905	7,670,905	7,670,905
Amount due to a Director	40,065	40,065	40,065	40,065	40,065
Tax payable	-	271,730	271,730	271,730	271,730
Bank borrowings	-	850,888	850,888	-	-
Total current liabilities	40,065	10,695,023	10,695,023	9,844,135	9,844,135
NET CURRENT (LIABILITIES)/ASSETS	(3,478)	5,613,343	5,613,343	19,413,343	19,413,343
	(3,478)	7,011,993	7,011,993	30,011,993	30,011,993
NET TANGIBLE (LIABILITIES)/ASSETS PER ORDINARY SHARE OF					
- RM1.00 EACH (SEN)	(173,900)	94.69	-	-	-
- RM0.10 EACH (SEN)	-	-	9.47	22.73	7.58
NET (LIABILITIES)/ASSETS PER ORDINARY SHARE OF					
- RM1.00 EACH (SEN)	(173,900)	100.17	-	-	-
- RM0.10 EACH (SEN)	-	-	10.02	30.01	10.00

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Shamsir Jasani Grant Thornton

WINSUN TECHNOLOGIES BERHAD
(Company No: 766535 P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

(ii) PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

1. The Proforma Consolidated Balance Sheets have been prepared based on the audited financial statements of WINSUN, WINNER and WINCO as at 30 June 2007 and using the acquisition method of accounting for WINSUN Group.

2. The Proforma Consolidated Balance Sheets together with notes thereon, have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited financial statements of WINSUN Group to illustrate the Consolidated Balance Sheets of WINSUN Group assuming that all the transactions mentioned below had taken place on 30 June 2007:-

Proforma I: Acquisitions

(a) Acquisition of the entire registered and paid-up capital of WINCO comprising registered and paid-up capital of USD1,000,000 representing 100% equity interest in WINCO for a total purchase consideration of RM6,999,997 to be wholly satisfied through the issuance of 6,999,997 new ordinary shares of RM1.00 in WINSUN.

(b) Acquisition of the entire registered and paid-up capital of WINNER comprising registered and paid-up capital of USD600,000 representing 100% equity interest in WINNER for a total purchase consideration of RM1 to be wholly satisfied through the issuance of 1 new ordinary share of RM1.00 in WINSUN.

Proforma II: Share Split

Share Split to subdivide the existing par value of ordinary shares of WINSUN from RM1.00 per share to RM0.10 per share ("WINSUN Share") after Acquisitions.

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(ii) PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

Proforma III: Public Issue

Public Issue of 30,000,000 new WINSUN Shares at an issue price of RM0.85 per WINSUN Share.

The gross proceeds arising from the Public Issue amounting to RM25,500,000 are expected to be fully utilised for the core business of WINSUN Group in the following manner:-

	RM
Research and development	6,900
Capital expenditure	2,300
Repayment of borrowings	2,300
Working capital	9,200
Business development	2,300
Listing expenses	2,500
	25,500

The listing expenses are estimated at RM2,500,000 and will be set off against the share premium account.

Proforma IV: Bonus Issue

Bonus Issue of 200,000,000 new ordinary shares of RM0.10 each in WINSUN at par to the shareholders of WINSUN on the basis of two (2) new ordinary shares of RM0.10 each in WINSUN for every one (1) WINSUN Share held after the Acquisitions, Share Split and Public Issue.

Thereafter, the entire issued and paid-up share capital of WINSUN comprising 300,000,000 WINSUN Shares shall be listed on the MESDAQ Market of Bursa Securities.

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(ii) PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS (CONT'D)

3. The movement of the issued and paid-up share capital of WINSUN Group is as follows:-

	RM
As at 30 June 2007	2
Acquisitions	6,999,998
As per Proforma I	7,000,000
Share Split	-
As per Proforma II	7,000,000
Public Issue	3,000,000
As per Proforma III	10,000,000
Bonus Issue	20,000,000
As per Proforma IV	30,000,000

4. The movement of the reserve account is as follows:-

	Share premium RM	(Accumulated loss)/ Unappropriated profit RM	Total RM
As at 30 June 2007	-	(3,480)	(3,480)
Acquisition	-	15,473	15,473
As per Proforma I	-	11,993	11,993
Share Split	-	-	-
As per Proforma II	-	11,993	11,993
Public Issue	22,500,000	-	22,500,000
Listing expenses	(2,500,000)	-	(2,500,000)
As per Proforma III	20,000,000	11,993	20,011,933
Bonus Issue	(20,000,000)	-	(20,000,000)
As per Proforma IV	-	11,993	11,993

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(iii) STATEMENT OF ASSETS AND LIABILITIES

The following is a proforma group statement of assets and liabilities of WINSUN Group prepared based on the audited financial statements of WINSUN, WINNER and WINCO as at 30 June 2007.

The proforma group statement of assets and liabilities is prepared for illustrative purpose only, to show the effects of all the transactions stated in Note 4 to the statement of assets and liabilities. The statement should be read in conjunction with the notes thereto.

	Note	Proforma Group RM
NON-CURRENT ASSETS		
Property, plant and equipment	5	3,314,755
Development costs	6	7,283,895
Total non-current assets		10,598,650
CURRENT ASSETS		
Inventories	7	909,024
Receivables	8	6,772,384
Amount due from customers on contracts	9	7,996,978
Cash and bank balances		13,579,092
Total current assets		29,257,478
CURRENT LIABILITIES		
Payables	10	9,532,340
Amount due to a Director	11	40,065
Tax payable		271,730
Total current liabilities		9,844,135
NET CURRENT ASSETS		19,413,343
		30,011,993
SHARE CAPITAL	12	30,000,000
RESERVES	13	11,993
		30,011,993

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WINSUN TECHNOLOGIES BERHAD
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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group have been prepared in accordance with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within policies that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Foreign currency risk

The Group is not exposed to foreign currency risk in its normal operations in view that all its local operating activities are transacted in local currency, Renminbi (RMB). For that matter, the Company is only exposed to foreign currency risk in case of capital and profit repatriation or payment of dividend from its subsidiary companies to the Company.

(b) Interest rate risk

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward changes in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Liquidity and cash flow risks

The Group actively manages its operating cash flows to suit the debt maturity profile so as to ensure that all commitment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

2. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(e) Market risk

For key product purchases, the Group establishes floating and fixed price levels that the Group considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels. The Group does not face significant risk arising from changes in debt and equity prices.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the other significant accounting policies.

The functional currency of the Group is Renminbi (RMB) and is presented in Ringgit Malaysia (RM).

(b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

WINSUN TECHNOLOGIES BERHAD
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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant Accounting Estimates and Judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

Income taxes

The Group is exposed to income taxes in different jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful life. Management estimated the useful life of these assets to be within 5 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

Development costs

The Group carried out impairment test based on a variety estimation including the value-in-use of Cash Generating Unit ("CGU") to which the development costs are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Basis of consolidation (cont'd)

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

Acquisition of subsidiary companies is accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income on the date of acquisition.

Subsidiary companies are consolidated using the acquisition method of accounting from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised or unimpaired balance of goodwill on acquisition and exchange differences.

(d) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Research and development cost are expensed in the period in which they are incurred except when the cost incurred on development project are recognised as development assets to the extent that such expenditure is expected to generate future economic benefits.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Research and development costs (cont'd)

Development cost initially recognised as an expense is not recognised as an asset in subsequent periods.

Capitalised development cost is amortised on a systematic basis over their expected useful lives which is 3 years and assessed for impairment whenever there is an indication that the development cost may be impaired.

The amortisation period and the amortisation method for the development cost with a finite useful life are reviewed at least at each financial year end.

The amortisation expense on development cost with finite useful life is recognised in the income statement in the expenses category.

(e) Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost over their estimate useful lifes as follows:-

	Rate	Residual value
Plant and machineries	10%-20%	10%
Motor vehicles	20%	10%
Office equipment	20%	10%
Renovation	20%	-
Computer's software	20%	-

Fully depreciated plant and machineries, motor vehicles and office equipment are retained in the financial statements at net book value of 10% of the cost until they are no longer in use.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment (cont'd)

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the financial year in which the asset is derecognised.

(f) Subsidiary companies

A subsidiary company is a company in which the Company or the Group either directly or indirectly owns a power to govern its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies is stated at cost. Where an indication of impairment exists, the carrying amount of the subsidiary companies is assessed and written down immediately to their recoverable amount.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value after adequate specific allowance has been made by Directors for deteriorated, obsolete and slow-moving inventories.

Cost of raw materials is determined using the weighted average method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(h) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An allowance is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

Retention sum are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified.

(i) Amount due from/to customers on contract

Amount due from/(to) customers on contract is the net amount of cost incurred for contract-in-progress plus attributable profit less progress billings and anticipated losses, if any. Contract costs incurred to date include:-

(i) Costs directly related to the contract;

(ii) Costs attributable to contract activity in general and can be allocated to the contract; and

(iii) Other costs specifically chargeable to the contract under the terms of the contract.

Attributable profit represents the net amount of total contract sum less the total contract costs.

Progress billings represent the certified work done billed to the customers.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Deferred tax liabilities and assets

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(l) Payables

Payables are stated at cost which is fair value of the consideration to be paid in the future for goods and services received.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Provision

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(n) Revenue recognition

Revenue on contract works is recognised based on the percentage of completion method in cases when the outcome of the contract can be reliably estimated.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract cost is recognised as an expense in the period in which they are incurred.

'Percentage of completion' is determined by reference to the proportion of actual total costs incurred at the balance sheet date to the total estimated contract costs. Provision is made for all foreseeable losses.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

(p) Foreign currency transactions and balances

Transactions in foreign currencies are recorded in Renminbi at rates of exchange ruling at the date of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at balance sheet date.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Foreign currency transactions and balances (cont'd)

Gains and losses from conversion of short term assets and liabilities, whether realised or unrealised, are included in the income statement as they arise.

Financial statements of foreign consolidated subsidiary companies are translated at year-end exchange rates with respect to the assets and liabilities. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity.

On disposal of a foreign entity, the cumulative amount of exchange differences deferred in equity relating to that foreign entity is recognised in the income statement as a component of the gain or loss on disposal.

All other foreign exchange differences are taken to the income statement in the financial year in which they arise.

(q) Impairment of assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An impairment loss is recognised as an expense in the income statement immediately.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

All reversals of impairment losses are recognised as income immediately in the income statement.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(s) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, borrowings, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Segmental results

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangible assets and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. The majority of the segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include tax recoverable and deferred income taxes.

(u) Intersegment transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group at an arm's length transactions. These transfers are eliminated on consolidation.

(v) Translation to Ringgit Malaysia

The financial statements of the subsidiary companies are stated in Renminbi, the functional currency of the subsidiary companies. The translation of Renminbi amounts into Ringgit Malaysia amounts uses approximate rate of exchange as at 30 June 2007 and 31 December 2006 for the financial period ended 30 June 2007 and financial year ended 31 December 2004 to 2006 respectively. Such translated financial statements have been prepared solely for use by the Group management and should not be considered relevant for any other purpose.

The translation into Ringgit Malaysia should not be construed as representations that the Renminbi amounts could be converted into Ringgit Malaysia at these or any other rates of exchange.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Statutory reserves

Statutory common reserve

Statutory common reserve represents 10% of the China statutory profit after tax during the current financial year less accumulated loss in prior year, if any. This reserve can be used to make up any loss incurred or to increase share capital.

Statutory public welfare reserve

Statutory public welfare reserve is ranging from 1% to 10% of the China statutory profit after tax during the current financial year less accumulated loss in prior year, if any. The full amount of each financial year allocation will be realised to other payables.

Statutory development reserve

Statutory development reserve represents 10% of the China statutory profit after tax during the current financial year less accumulated loss in prior year, if any. This reserve can be used to make up any loss incurred or to increase share capital.

4. SCHEME

As an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of WINSUN, the WINSUN Group undertook the Flotation Exercise that was approved by the Securities Commission ("SC") on 9 October 2007. The Floatation Exercise involves the following:-

(i) **Acquisitions**

(a) Acquisition of the entire registered and paid-up capital of WINCO comprising registered and paid-up capital of USD1,000,000 representing 100% equity interest in WINCO for a total purchase consideration of RM6,999,997 to be wholly satisfied through the issuance of 6,999,997 new ordinary shares of RM1.00 in WINSUN.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

4. SCHEME (CONT'D)

(i) **Acquisitions (cont'd)**

(b) Acquisition of the entire registered and paid-up capital of WINNER comprising registered and paid-up capital of USD600,000 representing 100% equity interest in WINNER for a total purchase consideration of RM1 to be wholly satisfied through the issuance of 1 new ordinary share of RM1.00 in WINSUN.

The above acquisitions were completed on 25 October 2007.

(ii) **Share Split**

Share Split to subdivide the existing par value of ordinary shares of WINSUN from RM1.00 per share to RM0.10 per WINSUN Share after the above Acquisitions.

The above share split was completed on 26 October 2007.

(iii) **Public Issue**

Public Issue of 30,000,000 new WINSUN Shares at an issue price of RM 0.85 per WINSUN Share.

(iv) **Bonus Issue**

Bonus Issue of 200,000,000 new ordinary shares of RM0.10 each in WINSUN at par to the shareholders of WINSUN on the basis of two (2) new ordinary shares of RM0.10 each in WINSUN for every one (1) WINSUN Share held after Acquisitions, Share Split and Public Issue.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

4. SCHEME (CONT'D)

(v) Listing and Quotation on the MESDAQ Market of Bursa Securities

In conjunction with the Flotation Exercise, WINSUN seeks the admission and the listing of and quotation for its entire enlarged issued and paid-up share capital of WINSUN comprising 300,000,000 WINSUN Shares on the Official List of the MESDAQ Market of the Bursa Securities.

The gross proceeds arising from the Public Issue amounting to RM25,500,000 are expected to be fully utilised for the core business of WINSUN Group in the following manner:-

	RM
Research and development (Note 6)	6,900
Capital expenditure (Note 5)	2,300
Repayment of borrowings	2,300
Working capital	9,200
Business development	2,300
Listing expenses	2,500
	25,500

The listing expenses are estimated at RM2,500,000 and will be set off against the share premium account.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment RM	Motor vehicles RM	Office equipment RM	Computer software RM	Renovation RM	Total RM
Proforma Group						
Cost						
Addition through acquisition of subsidiary companies	563,249	478,790	332,558	49,707	563,119	1,987,423
Additions [Note 4 (v)]	1,935,000	-	200,000	165,000	-	2,300,000
Carried forward	2,498,249	478,790	532,558	214,707	563,119	4,287,423
Accumulated depreciation						
Addition through acquisition of subsidiary companies	57,893	346,445	185,746	37,764	344,820	972,668
Carried forward	57,893	346,445	185,746	37,764	344,820	972,668
Net carrying amount	2,440,356	132,345	346,812	176,943	218,299	3,314,755

6. DEVELOPMENT COSTS

	Proforma Group RM
Addition through acquisition of subsidiary companies	383,895
Additions [Note 4 (v)]	6,900,000
Carried forward	7,283,895

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

7. INVENTORIES

	Proforma Group RM
Raw materials	1,211,575
Finished goods	402,937
	1,614,512
Less: Allowance for slow moving inventories	(705,488)
	909,024

8. RECEIVABLES

	Proforma Group RM
Trade receivables	4,809,102
Less: Allowance for doubtful debts	(1,767,215)
	3,041,887
Retention sum	1,210,591
Less: Allowance for doubtful debts	(44,075)
	1,166,516
Total trade receivables	4,208,403
Advance to employees	1,388,213
Advance to suppliers	646,388
Non trade receivables	113,961
Deposits	16,627
Prepayments	79,402
Prepayments for listing expenses	335,083
Value-added tax recoverable	59,296
	2,638,970
Less: Allowance for doubtful debt	(74,989)
Total other receivables	2,563,981
Total receivables	6,772,384

WINSUN TECHNOLOGIES BERHAD
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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

9. AMOUNT DUE FROM CUSTOMERS ON CONTRACT

	Proforma Group RM
Cost incurred todate	15,954,759
Attributable profit	2,915,209
	18,869,968
Less: Progress billings received and receivables	(10,872,990)
	7,996,978

10. PAYABLES

	Proforma Group RM
Trade payables	1,861,435
Non-trade payables	201,935
Accruals for staff costs	61,598
Accrual of interest expenses	12,140
Advance from customers	7,202,962
Accrual of expenses	192,270
	9,532,340

11. AMOUNT DUE TO A DIRECTOR

Amount due to a director is unsecured, interest free and has no fixed term of repayment.

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NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

12. SHARE CAPITAL

	Proforma Group RM
Issued and fully paid:-	
Ordinary shares of RM1.00 each	
At date of incorporation, at RM1.00 each	2
Issued pursuant to the acquisition of subsidiaries	6,999,998
Subdivision of shares, at RM0.10 each	7,000,000
Public issue, at RM0.10 each	3,000,000
Bonus issue, at RM0.10 each	20,000,000
	30,000,000

13. RESERVES

	Proforma Group RM
Accumulated loss	(3,480)
Realisation of reserve on consolidation	15,473
Share premium arising from public issue	22,500,000
Less: Listing expenses	(2,500,000)
Bonus Issue	(20,000,000)
	11,993

14. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

There were no significant events subsequent to the balance sheet date other than the approval obtained from the SC, completion of acquisitions and share split as mentioned in Note 4.

15. FINANCIAL INSTRUMENTS

(a) Credit risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

The Group has no significant concentration of credit risk with any single counterparty.

(b) Fair values

The carrying amounts of all financial assets and liabilities of the Group as at the balance sheet date approximated their fair values.

16. NET TANGIBLE ASSETS AND NET ASSETS PER ORDINARY SHARE

Based on the proforma group statement of assets and liabilities of WINSUN Group as at 30 June 2007, the proforma net tangible assets ("NTA") and net assets ("NA") per share is calculated as follows:-

	Proforma Group
Proforma NTA as per group statement of assets and liabilities (RM)	22,728,098
Proforma NA as per group statement of assets and liabilities (RM)	30,011,993
Total number of fully issued and paid-up ordinary share of RM0.10 each	300,000,000
Proforma NTA per ordinary share of RM0.10 each (sen)	7.58
Proforma NA per ordinary share of RM0.10 each (sen)	10.00

WINSUN TECHNOLOGIES BERHAD
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(iv) PROFORMA CONSOLIDATED CASH FLOW STATEMENT

The following is the proforma consolidated cash flow statement of WINSUN Group prepared for illustrative purpose based on the audited financial statements of WINSUN, WINNER and WINCO for the financial period ended 30 June 2007 assuming that WINSUN Group has been existence throughout the financial period under review.

Period ended	30/6/2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	3,302,171
Adjustments for:-	
Allowance for doubtful debts	591,327
Allowance for slow moving inventories	365,605
Amortisation	56,926
Depreciation	139,113
Interest expenses	15,847
Allowance for obsolete inventories no longer required	(94,190)
Interest income	(3,303)
Operating profit before working capital changes	4,373,496
Changes in working capital:-	
Development cost	(99,267)
Inventories	(681,928)
Director	38,265
Receivables	675,264
Payables	(451,733)
Customers on contracts	(5,353,556)
Cash used in operations	(1,499,459)
Interest received	3,303
Interest paid	(29,971)
Tax paid	(3,707)
Net cash used in operating activities	(1,529,834)

WINSUN TECHNOLOGIES BERHAD
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(iv) PROFORMA CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

Period ended	30/6/2007 RM
CASH FLOWS FROM INVESTING ACTIVITY	
Purchase of property, plant and equipment	(43,385)
Net cash used in investing activity	(43,385)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of term loan	(271,560)
Drawndown of term loan	850,888
Proceeds from issuance of share capital	2
Net cash from financing activities	579,330
CASH AND CASH EQUIVALENTS	
Net changes	(993,889)
Effect of exchange rate changes	9,687
Brought forward	1,614,182
Carried forward	629,980

The Proforma Consolidated Cash Flow Statement has been prepared based on the audited financial statements of WINSUN, WINNER AND WINCO as at 30 June 2007.

The Proforma Consolidated Cash Flow Statement has been prepared based on accounting principles and basis consistent with those normally adopted in the preparation of audited financial statements of WINSUN Group.

end of report

Stamped for the purpose of identification on:
30 NOV 2007
Shamsir Jasani Grant Thornton