

WINSUN TECHNOLOGIES BERHAD

(Company No: 766535 P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	AS AT 30.9.2013	AS AT 31.12.2012
	RM'000	RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	1,851	2,433
	<u>1,851</u>	<u>2,433</u>
Current assets		
Inventories	3,109	1,001
Trade receivables	5,496	6,934
Amount due from customers on contract	8,681	4,937
Other receivables, deposit and prepayment	10,692	1,321
Tax recoverable	239	3
Short Term fund investment	-	1,235
Short Term fund investment with a licensed bank	-	100
Cash and bank balances	1,907	4,180
	<u>30,124</u>	<u>19,711</u>
TOTAL ASSETS	<u>31,975</u>	<u>22,144</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	33,000	30,000
Share premium	1	1
Reserves	2,720	1,813
Accumulated loss	(14,132)	(12,565)
	<u>21,589</u>	<u>19,249</u>
Shareholders' equity		
	<u>21,589</u>	<u>19,249</u>
Total Equity	21,589	19,249
Non-current liability:		
Finance lease liability	-	165
	<u>-</u>	<u>165</u>
CURRENT LIABILITIES		
Trade payables	962	480
Other payables	9,424	2,185
Tax payable	-	3
Finance lease liability	-	62
	<u>10,386</u>	<u>2,730</u>
TOTAL EQUITY AND LIABILITIES	<u>31,975</u>	<u>22,144</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	6.54	6.42

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

WINSUN TECHNOLOGIES BERHAD

(Company No: 766535 P)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Unaudited	Unaudited	Unaudited	Unaudited
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2013 RM'000	Preceding year Corresponding Quarter 30.9.2012 RM'000	Current Year To Date 30.9.2013 RM'000	Preceding Corresponding Year To Date 30.9.2012 RM'000
Revenue	4,385	2,560	10,876	8,666
Cost of sales	(2,934)	(2,192)	(8,300)	(7,673)
Gross profit	1,451	368	2,576	993
Other income	(25)	128	291	3,378
Selling, distribution and other expenses	(58)	(55)	(214)	(162)
Administrative expenses	(1,315)	(1,409)	(4,065)	(3,594)
Other expenses	(13)	(164)	(149)	(1,830)
Profit/(Loss) from operations	40	(1,132)	(1,561)	(1,215)
Finance costs	(3)	(2)	(7)	(6)
Profit/(Loss) before taxation	37	(1,134)	(1,568)	(1,221)
Taxation	-	(1)	-	(1)
Profit/(Loss) after taxation	37	(1,135)	(1,568)	(1,222)
Attributable to:-				
Equity holder of the parent	37	(1,135)	(1,568)	(1,222)
Non-controlling interests	-	-	-	-
	37	(1,135)	(1,568)	(1,222)
Profit/(Loss) per share (sen)	0.01	(0.38)	(0.48)	(0.41)
Diluted earnings/(loss) per share (sen)	-	-	-	-

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

WINSUN TECHNOLOGIES BERHAD

(Company No: 766535 P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2013 RM'000	Preceding year Corresponding Quarter 30.9.2012 RM'000	Current Year To Date 30.9.2013 RM'000	Preceding Corresponding Year To Date 30.9.2012 RM'000
Profit/(Loss) for the period	37	(1,135)	(1,568)	(1,222)
Other comprehensive income/(loss): Exchange difference on translation of foreign operations	353	(317)	907	(379)
Other comprehensive income/(loss) for the period	353	(317)	907	(379)
Total comprehensive income/(loss) for the period	390	(1,452)	(661)	(1,601)
Attributable to:-				
Equity holder of the Company	390	(1,452)	(661)	(1,601)
Non-controlling interests	-	-	-	-
	390	(1,452)	(661)	(1,601)

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 766535 P

WINSUN TECHNOLOGIES BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

Group	<----- Attributable to equity holders of the Company ----->					
	<----- Non-distributable ----->				Distributable	
	Share <u>Capital</u> RM'000	Share <u>Premium</u> RM'000	Statutory <u>Reserve</u> RM'000	Exchange Fluctuation <u>Reserve</u> RM'000	Unappropriated <u>Profit</u> RM'000	Total <u>Equity</u> RM'000
For the period ended 30 September 2013						
Balance at 01 January 2013	30,000	1	524	1,289	(12,564)	19,250
Issurance of share capital	3,000	-	-	-	-	3,000
Total comprehensive profit/(loss) for the period	-	-	-	907	(1,568)	(661)
Balance at 30 September 2013	<u>33,000</u>	<u>1</u>	<u>524</u>	<u>2,196</u>	<u>(14,132)</u>	<u>21,589</u>
For the period ended 30 September 2012						
Balance at 01 January 2012	30,000	1	524	1,588	(11,243)	20,870
Total comprehensive loss for the period	-	-	-	(379)	(1,222)	(1,601)
Balance at 30 September 2012	<u>30,000</u>	<u>1</u>	<u>524</u>	<u>1,209</u>	<u>(12,465)</u>	<u>19,269</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

WINSUN TECHNOLOGIES BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Year-to-date ended	
	30.9.2013	30.9.2012
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,568)	(1,221)
Adjustments for:		
Non-cash items	633	(881)
Operating loss before working capital changes	(935)	(2,102)
Increase in inventories	(2,016)	(196)
Decrease/(Increase) in trade and other receivables	(7,459)	2,420
Increase in trade and other payables	7,074	2,037
Decrease in amount due from customer on contract	(3,172)	(3,989)
Cash used in operations	(6,508)	(1,830)
Tax paid	(227)	(569)
Interest received	43	132
Interest paid	(3)	(6)
Net cash used in operating activities	(6,695)	(2,273)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(60)	(812)
Proceed from disposal of property, plant and equipment	160	-
Issuance of share capital	3,000	-
Net cash from/(used in) investing activities	3,100	(812)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liability	(228)	(47)
Net cash used in financing activity	(228)	(47)
CASH AND CASH EQUIVALENTS		
Net changes	(3,823)	(3,132)
Bought forward	5,515	9,338
Effects of exchange rate changes	215	(192)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	1,907	6,014

Note:

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statement for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

WINSUN TECHNOLOGIES BERHAD

(Company No:766535 P)
(Incorporated in Malaysia)

**NOTES TO INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2013****1.0 EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING****1.1 Corporate information**

Winsun Technologies Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The particulars of the subsidiary companies in the Group are as follows:-

	<u>Name of Company</u>	<u>Place of Incorporation</u>	<u>Effective Equity Interest</u>		<u>Principal Activities</u>
			<u>2011</u>	<u>2010</u>	
			<u>%</u>	<u>%</u>	
1.	Shanghai Winner Electrical Co Ltd ("Winner")	The People's Republic of China	100	100	Engaged in the business of solution provider and system designer for automation systems.
2.	Shanghai Winco Electrical Co. Ltd ("WinCo")	The People's Republic of China	100	100	Engaged in the business of solution provider and system designer of sophisticated and high- end automation systems.
3.	Winsun Engineering Sdn. Bhd.	Malaysia	100	100	Engaged in the business of solution provider, system designer of automation systems and research and development.

1.2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2012. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

1.3 Qualification of financial statements

There was no audit qualification reported in audited financial statements of the Group for the financial year ended 31 December 2012.

1.4 Seasonal or cyclical factors

There were no seasonal or cyclical factors affecting the results of the Group for the current quarter under review.

1.5 Unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

1.6 Material changes in estimates

There were no changes in nature and estimates of amounts reported that have a material effect in the current quarter under review.

1.7 Debts and equity securities

There were no issuance, repurchase, cancellation, resale and repayment of debt and equity securities during the current quarter under review.

1.8 Dividend

There was no dividend paid during the current quarter under review.

1.9 Segmental information

The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 30 September 2013 is tabulated below:

Segment	Malaysia RM	The People's Republic of China RM	Elimination RM	Total RM
Revenue	598,217	10,292,019	(14,007)	10,876,229
Profit before taxation	2,194,368	(97,638)	(3,664,224)	(1,567,494)

1.10 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment during the current quarter under review.

1.11 Material event subsequent to the end of the reporting period

There were no material event subsequent to the end of the reporting period.

1.12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

1.13 Contingent liabilities or contingent assets

The Group does not have any contingent liabilities or contingent assets as at 30 September 2013.

1.14 Significant related party transactions

There were no significant related party transactions during the current quarter under review.

2.0 EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

2.1 Review of the performance

The Group registered the revenue of RM4.4 million and profit before tax of RM0.04 million in current quarter as compared to revenue and loss before tax of RM2.6 million and RM1.1 million respectively in the preceding year's corresponding quarter. The Group's revenue sustain with higher revenue due to improvement on the global expansion.

For financial year-to-date review, the Group recorded revenue of RM10.9 million and RM1.6 million loss before tax in first nine (9) months period for 2013 compared to revenue and loss before tax of RM8.7 million and RM1.22 million respectively in first nine (9) months period for 2012. No major fluctuation in term of sales and overall cost and expenses other than Corporate exercise cost highlighted in quarter to quarter comparison. A reduction in losses for the period closed 2012 was attributed mainly from net gain on disposal of assets held for sales amounting to RM1.8 million.

2.2 Comparison with immediate preceding quarter

	Current Quarter Ended 30-Sep-13 RM'000	Immediate Preceding Quarter Ended 30-Jun-13 RM'000
Revenue	4,385	3,793
Profit/(Loss) before tax	37	(851)

Revenue for the current quarter increased by 16% to RM4.4 million from RM3.8 million in the immediate preceding quarter. But recorded profit before tax of RM0.04 million vs loss before tax of RM0.85 million in immediate preceding quarter. The sales increase mainly due to stock clearance toward 3rd quarter end, but lower administrative expenses have bring down the losses for Q3'2013.

2.3 Prospects

China division will remain the major contribution to the Group's revenue. Besides the global financial uncertainty in US, the Euro Zone and volatile currencies movement, the uncertainties in China's internal inflationary pressure, rising labour costs and high material prices have already impacted on the Group's financial performance in 2012.

Despite the above, the Management will continuously focus on operation efficiency and cost saving measures and be competitive against our competition in the industrial automation industry. Furthermore, WinSun Group has built up a comprehensive technical and engineering team equipped with domain knowledge in many niche process and non-process industries. From feasibility and front-end studies to design and detailed engineering specifications, the Group will continue to improve in our core Intelligent Industrial Control Management System ("IICMS"). These competitive advantages put Winsun in good position to sustain through the competitive economic situation and achieve satisfactory performance in next financial year.

Furthermore, the Group is also looking into diversification of its business in the areas of ICT and mobile application sectors to diversify its revenue contribution and reduce its dependence on the industrial automation sector.

2.4 Variance from profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

2.5 Taxation

Details of taxation are as follows:-

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Malaysian Tax Provision *	-	-	-	-
Oversea Subsidiaries Tax Provision #				
Current period tax	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

Notes:

* The Company enjoys income tax exemption under its pioneer status entitlement pursuant to its Multimedia Super Corridor (MSC) status procured through Multimedia Development Corporation, for Qualifying Activities.

The provision for tax is made in respect of the subsidiaries in China, and is computed based on the current period's results.

2.6 Status of corporate proposals and utilisation of proceeds

2.6.1 On 11 December 2012, the Company announced that it proposed to undertake a private placement of up to 10% of the Company's issued and paid-up share capital, equivalent to 30,000,000 ordinary shares of RM0.10 each.

The details of the proposed utilisation of the proceeds raised from the Private Placement is as follows:

	RM'000	Expected time frame for utilisation of proceed (from the date of listing of the Placement Shares)
Business expansion / product diversification	2,000	Within 12 months
Industrial air cooling project	930	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	70	Within 1 month
Total proceeds	<u>(3,000)</u>	

The above mentioned private placement was completed on 16/8/2013.

2.6.2 On 29 May 2013, the Company announced the multiple proposals for (i) proposed acquisition of Planet Wireless Holdings Limited ("PW"), (ii) proposed diversification, (iii) proposed private placement of shares with warrants, and (iv) proposed free warrants issue.

Company have submitted the application to Bursa Securities and Controller of Foreign Exchange (via BNM) for approval on 9 July 2013. BNM had vide its letter dated 15 July 2013, Company is not required to seek the approval of BNM for the issuance of the Warrants to the non-resident shareholders of Company.

The details of the proposed utilisation of the proceeds raised from the Private Placement of shares with warrants as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceed (from the date of listing of the Placement Shares)
Proposed Acquisition of PW	4,500	4,500	Within 12 months
Capital expenditure for the PW Group	1,500	1,500	Within 24 months
Business expansion	17,800	19,900	Within 24 months
Estimated expenses	700	700	Within 3 months
Total proceeds	<u>24,500</u>	<u>26,600</u>	

As of the date of this report, the above mentioned Proposals are still in progress.

2.7 Borrowings and debt securities

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 30 September 2013.

Short term borrowings

	<u>30 Sept 2013</u>	<u>30 Sept 2012</u>
	<u>RM'000</u>	<u>RM'000</u>
Finance lease liability	-	62

Long term borrowings

	<u>30 Sept 2013</u>	<u>30 Sept 2012</u>
	<u>RM'000</u>	<u>RM'000</u>
Finance lease liability	-	181

2.8 Material litigation

There were no material litigations involving the Group as at the date of this report

2.9 Dividend

There is no dividend declared for the current quarter under review.

2.10 Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to ordinary shareholders for the quarter/year divided by the weighted average number of ordinary shares of RM0.10 each in issue during the quarter/year.

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Earnings / (Loss) attributable to equity holders of the parent	37	(1,135)	(1,568)	(1,222)
Weighted average number of ordinary shares in issue ('000)	330,000	300,000	330,000	300,000
Basic loss per share (sen)	0.01	(0.38)	(0.48)	(0.41)
Diluted loss per share (sen)	-	-	-	-

There are no dilutive potential ordinary shares in the current quarter and financial year to-date.

2.11 Profit/(Loss) before tax

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax has been determined after charging / (crediting) amongst other items the following:				
Interest income	(1)	(53)	(43)	(132)
Other income including investment income	-	(93)	(5)	(3,239)
Interest expenses	3	2	7	6
Depreciation	217	192	521	557
Loss on disposal of property, plant and equipment	44	-	44	-
Provision for/write off of receivables	103	11	241	1,648
Provision for/write off of inventories	-	(4)	45	(4)
Net foreign exchange (gain)/loss	38	(4)	68	1

There were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives or exceptional items for current quarter and cumulative year ended 30 September 2013 (30 September 2012: Nil).

2.12 Realised and unrealised loss

	<u>30 Sept 2013</u>	<u>30 Sept 2012</u>
	<u>RM'000</u>	<u>RM'000</u>
Total accumulated loss/profit of the Company and its subsidiary companies:		
- Realised	(17,452)	(14,518)
- Unrealised	2,097	(2,832)
	(15,355)	(17,350)
Less: Consolidated adjustments	1,223	4,886
	<u>(14,132)</u>	<u>(12,464)</u>

2.13 Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report.