

WINTONI GROUP BERHAD
 (formerly known as Winsun Technologies Berhad)
 (Company No: 766535 P)
 (Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	AS AT 30.06.2014	AS AT 31.12.2013
	RM'000	RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	4,796	1,082
Intangible asset - Software development cost	280	-
	<u>5,076</u>	<u>1,082</u>
Current assets		
Inventories	882	1,042
Trade receivables	9,274	5,050
Amount due from customers on contracts	6,719	7,038
Other receivables, deposit and prepayment	27,554	8,977
Tax recoverable		3
Cash and bank balances	7,652	2,332
	<u>52,081</u>	<u>24,442</u>
TOTAL ASSETS	<u>57,157</u>	<u>25,524</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	51,300	33,000
Share premium	10,320	-
Reserves	640	2,917
Accumulated losses	(14,314)	(15,464)
	<u>47,946</u>	<u>20,453</u>
Non-controlling interest	-	-
Total Equity	<u>47,946</u>	<u>20,453</u>
Non-current liability		
Finance lease liability	<u>30</u>	<u>-</u>
Current Liabilities		
Trade payables	3,151	332
Other payables	5,979	4,736
Tax payable	35	3
Finance lease liability	16	-
	<u>9,181</u>	<u>5,071</u>
TOTAL EQUITY AND LIABILITIES	<u>57,157</u>	<u>25,524</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	9.35	6.20

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2014

	Unaudited		Unaudited		Unaudited		Unaudited	
	Individual Quarter		Individual Quarter		Cumulative Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2014 RM'000	Preceding year Corresponding Quarter 30.6.2013 RM'000	Current Year Quarter 30.06.2014 RM'000	Preceding year Corresponding Quarter 30.6.2013 RM'000	Current Year To Date 30.06.2014 RM'000	Preceding Corresponding Year To Date 30.6.2013 RM'000	Current Year To Date 30.06.2014 RM'000	Preceding Corresponding Year To Date 30.6.2013 RM'000
Revenue	6,043	3,793	6,043	3,793	13,034	6,491	13,034	6,491
Cost of sales	(2,712)	(3,206)	(2,712)	(3,206)	(8,286)	(5,366)	(8,286)	(5,366)
Gross profit	3,331	587	3,331	587	4,748	1,125	4,748	1,125
Other income	148	200	148	200	2,933	316	2,933	316
Selling, distribution and other expenses	(53)	(88)	(53)	(88)	(97)	(156)	(97)	(156)
Administrative expenses	(1,632)	(1,412)	(1,632)	(1,412)	(2,696)	(2,750)	(2,696)	(2,750)
Other expenses	(210)	(136)	(210)	(136)	(3,734)	(136)	(3,734)	(136)
Profit/(Loss) from operations	1,584	(849)	1,584	(849)	1,154	(1,601)	1,154	(1,601)
Finance costs	(3)	(2)	(3)	(2)	(4)	(4)	(4)	(4)
Profit/(Loss) before taxation	1,581	(851)	1,581	(851)	1,150	(1,605)	1,150	(1,605)
Taxation	-	-	-	-	-	-	-	-
Profit/(Loss) after taxation	1,581	(851)	1,581	(851)	1,150	(1,605)	1,150	(1,605)
Attributable to:-								
Equity holder of the parent	1,581	(851)	1,581	(851)	1,150	(1,605)	1,150	(1,605)
Non-controlling interests	-	-	-	-	-	-	-	-
	1,581	(851)	1,581	(851)	1,150	(1,605)	1,150	(1,605)
Profit/ (Loss) per share (sen)	0.31	(0.28)	0.31	(0.28)	0.22	(0.54)	0.22	(0.54)
Diluted loss per share (sen)	-	-	-	-	-	-	-	-

The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2014	Preceding year Corresponding Quarter 30.6.2013	Current Year To Date 30.06.2014	Preceding Corresponding Year To Date 30.6.2013
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	1,581	(851)	1,150	(1,605)
Other comprehensive income/(loss):				
Exchange difference on translation of foreign operations	198	414	(2,386)	554
Other comprehensive income/(loss) for the period	198	414	(2,386)	554
Total comprehensive income/(loss) for the period	1,779	(437)	(1,236)	(1,051)
Attributable to:-				
Equity holder of the Company	1,779	(437)	(1,236)	(1,051)
Non-controlling interests	-	-	-	-
	1,779	(437)	(1,236)	(1,051)

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2014

	Year-to-date ended	
	30.06.2014	30.6.2013
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,150	(1,605)
Adjustments for:		
Non-cash items	(8,422)	322
Operating loss before working capital changes	(7,272)	(1,283)
Decrease/(Increase) in inventories	234	(307)
Increase in trade and other receivables	(14,432)	(2,941)
Increase in trade and other payables	1,785	2,405
Decrease in amount due from customers on contracts	(1,330)	(1,817)
Cash used in operations	(21,015)	(3,943)
Tax refund/(paid)	33	(215)
Interest received	11	42
Interest paid	-	(4)
Net cash used in operating activities	(20,971)	(4,120)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(1)
Acquisition of Subsidiaries	(4,500)	-
Purchase of property, plant and equipment	(11)	-
Issuance of share premium	10,320	-
Issuance of share capital	18,300	-
Net cash from/(used in) investing activities	24,109	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liability	(19)	(31)
Net cash used in financing activity	(19)	(31)
CASH AND CASH EQUIVALENTS		
Net changes	3,119	(4,152)
Bought forward	4,908	5,515
Effects of exchange rate changes	(375)	92
CASH AND CASH EQUIVALENTS AT 30 JUNE	7,652	1,455

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2014**

Group	Attributable to equity holders of the Company				Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Exchange Fluctuation Reserve RM'000		Distributable
For the period ended 30 June 2014						
Balance at 01 January 2014	33,000	-	524	2,393	(15,464)	20,453
Issuance of share capital	18,300	-	-	-	-	18,300
Total comprehensive profit/(loss) for the period	-	10,320	109	(2,386)	1,150	9,193
Balance at 30 June 2014	<u>51,300</u>	<u>10,320</u>	<u>633</u>	<u>7</u>	<u>(14,314)</u>	<u>47,946</u>
For the Period Ended 30 June 2013						
Balance at 01 January 2013	30,000	1	524	1,289	(12,564)	19,250
Total comprehensive profit/(loss) for the period	-	-	-	554	(1,605)	(1,051)
Balance at 30 June 2013	<u>30,000</u>	<u>1</u>	<u>524</u>	<u>1,843</u>	<u>(14,169)</u>	<u>18,199</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO INTERIM FINANCIAL REPORT
 FOR THE PERIOD ENDED 30 JUNE 2014**

1.0 EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

1.1 Corporate information

Wintoni Group Berhad ("Wintoni") 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:-

	Name of Company	Place of Incorporation	Effective Equity Interest		Principal Activities
			2014 %	2013 %	
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.	Wintoni Engineering Sdn. Bhd.	Malaysia	100	100	Engaged in the business of solution provider, system designer of automation systems and research and development.
4.	Wintoni Power Sdn. Bhd.	Malaysia	100	100	Engaged in the business of solution provider, system designer of automation systems and research and development.
5.	Planet Wireless Holdings Limited	Anguilla	100	-	Engaged in the business of Mobile Application Gateway and Mobile Internet Platform Services.

1.2 Basis of preparation

These condensed consolidated interim financial statements, for the financial period ended 30 June 2014, 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 2013. 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 2013.

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 2013.

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 June 2014 is tabulated below:

Segment	Malaysia RM	The People's Republic of China RM	Elimination RM	Total RM
Revenue	6,590,116	6,443,520	-	13,033,636
Profit/(Loss) before taxation	1,807,122	(1,583,685)	927,315	1,150,752

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

On 14 July 2014, on behalf of the Board of Directors of Wintoni, KAF Investment Bank Berhad wishes to announce that the Company is proposing to undertake the following proposals:-

- (i) proposed disposal by Wintoni of its entire equity interests in Shanghai Winner Electrical Co, Ltd and Shanghai WinCo Electrical Co, Ltd to Primose Ventures Limited for an aggregate cash consideration of RM14,500,000;
- (ii) proposed acquisition by Wintoni of 25,050,000 ordinary shares of RM0.01 each in Ozura Firstlogix Sdn Bhd ("OFSB"), representing 50.1% of the issued and paid-up share capital of OFSB, from Ozura Interactive Sdn Bhd for a cash consideration of RM24,849,600;
- (iii) proposed renounceable rights issue of up to 729,000,000 new ordinary shares of RM0.05 each in Wintoni ("Rights Shares") at an issue price of RM0.05 per Rights Share on the basis of one (1) Rights Share for every one (1) ordinary share of RM0.05 each in Wintoni ("Wintoni Share") held by the entitled shareholders of the Company after the Proposed Par Value Reduction (as defined in the attached announcement), on an entitlement date to be determined later ("Entitlement Date") together with up to 364,500,000 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every two (2) Rights Shares subscribed for ("Proposed Rights Issue of Shares with Warrants"); and
- (iv) proposed renounceable rights issue of up to 729,000,000 or RM21,870,000 nominal value of five (5)-year, 1%, irredeemable convertible unsecured loan stocks ("ICULS") at 100% of the nominal value of RM0.03 each ("Rights ICULS") on the basis of one (1) RM0.03 nominal value of Rights ICULS for every one (1) Wintoni Share held by the entitled shareholders of the Company after the Proposed Par Value Reduction, on the same Entitlement Date as the Proposed Rights Issue of Shares with Warrants.

As of the date of this report, the above proposal is still in progress.

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 June 2014.

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 RM6.04 million and profit before tax of RM1.58 million in current quarter as compared to revenue and loss before tax of RM3.79 million and RM0.85 million respectively in the preceding year's corresponding quarter. The Group's sales increase due to contribution on the new business- Wireless Mobile application from Planet Wireless Holding Limited ("PWHL") strengthen the overall performance on revenue of the Group. The management's continuous focus on operational efficiency and cost saving measures in order to remain competitive to improve the profit of the Group.

2.2 Comparison with immediate preceding quarter

	Current Quarter Ended 30-Jun-14 RM'000	Immediate Preceding Quarter Ended 31-Mar-14 RM'000
Revenue	6,043	6,991
Profit/(Loss) before tax	1,581	(430)

Revenue for the current quarter decreased by 14% to RM6.04 million from RM6.99 million in the immediate preceding quarter and recorded profit before tax of RM1.58 million compare with loss before tax of RM0.43 million in immediate preceding quarter. The sales decrease mainly due to stage of completion of project installation in China. The increase profit before tax due to the contribution on the new business-Wireless mobile application from PWHL.

2.3 Prospects

Wintoni Group is 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. According to data from the International Data Corporation (IDC), the global smartphone market is expecting sustained strong demand, driven by emerging markets, low-cost devices, and the proliferation of 4G networks; in the meantime mobile application market size will continue apace.

ICT remains as the primary enabler of Malaysia Transformation into a knowledge-based and high income country. The Malaysian ICT market is creating a wealth of opportunities in the local market space. The adoption of new business in Wireless Mobile Application from PWHL, thereby giving the Group a footprint in the mobile application markets.

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 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Malaysian Tax Provision *	-	-	-	-
Oversea Subsidiaries Tax Provision #	-	-	-	-
Current period tax	-	-	-	-
	-	-	-	-

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 29 May 2013, the Company announced the multiple proposals as following:

i) proposed acquisition of the entire equity interest in Planet Wireless Holdings Limited for a purchase consideration of RM 14.5 million to be satisfied via a combination of RM4.5 million in cash and issuance of 50 million new ordinary share of RM0.10 each in Wintoni ("Wintoni Share" or "Share") together with 50 million detachable warrants in Wintoni;

ii) proposed diversification of the existing code business of Wintoni and its subsidiaries to include the provision of Mobile Multimedia, Gateway and applications services;

The details of the proposed utilisation of the proceeds raised from the Private Placement of shares based on indicated placement price of RM0.20 for each place share with warrants as follows:

Purpose of proceeds	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	24,500	26,600	

iii) proposed private placement of up to 133 million new Wintoni shares, together with detachable warrants in Wintoni ("Placement Warrants") on the basis of one (1) placement warrant for every one (1) new share subscribed by selected investor(s) to be identified later; and

iv) proposed issue of 33.0 million free warrants in Wintoni ("free warrants") on the basis of one (1) free warrant for every ten (10) Wintoni shares held by the entitled shareholders of Wintoni.

The above mentioned Proposals (i) completed on 28 February 2014 and others proposals is completed on 10 March 2014.

2.6.2 On 7 April 2014, the Company announced the multiple proposals as following:

i) Proposed reduction of the issued and paid-up share capital pursuant to Section 64 of the Companies Act, 1965 involving the cancellation of RM0.05 of the par value of every existing ordinary share of RM0.10 each.

ii) Proposed increase in the authorised share capital from RM100,000,000 comprising 1,000,000,000 existing shares to RM500,000,000 comprising 10,000,000,000 ordinary shares of RM0.05 each.

iii) Proposed amendments to the Memorandum and Articles of Association to facilitate the proposed par value reduction and the proposed increase in authorised share capital.

Pursuant to the above corporate exercise proposal, on 14 May 2014, the Company has finalised and circulated the Circular to the shareholder for deliberation on the Extraordinary General Meeting ("EGM") on 5 June 2014.

On 22 July 2014, the Company has received the Court order. The Proposed Par Value Reduction is deemed completed on 1 August 2014.

2.7 Borrowings and debt securities

Same as disclosed below, there were no other borrowings or debt securities in the Group as at 30 June 2014.

Short term borrowings

	<u>30 June 2014</u>	<u>30 June 2013</u>
	<u>RM'000</u>	<u>RM'000</u>
Finance lease liability	16	62

Long term borrowings

	<u>30 June 2014</u>	<u>30 June 2013</u>
	<u>RM'000</u>	<u>RM'000</u>
Finance lease liability	30	134

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 Profit/(Loss) per share

The calculation of basic profit/(loss) per share is based on the 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 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000
Loss attributable to equity holders of the parent	1,581	(851)	1,150	(1,605)
Weighted average number of ordinary shares in issue ('000)	513,000	300,000	513,000	300,000
Basic profit/(loss) per share (sen)	0.31	(0.28)	0.22	(0.54)
Diluted profit/(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 June 2014	30 June 2013	30 June 2014	30 June 2013
	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)	(10)	(11)	(42)
Other income including investment income	(250)	-	(2,934)	(15)
Interest expenses	-	2	2	4
Depreciation	234	133	469	304
Provision for/write off of receivables	-	29	1,915	138
Provision for/write off of inventories	1	45	(105)	45
Net foreign exchange (gain)/gain	(738)	27	109	31

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 period ended 30 June 2014 (30 June 2013: Nil).

2.12 Realised and unrealised loss

	<u>30 June 2014</u>	<u>30 June 2013</u>
	<u>RM'000</u>	<u>RM'000</u>
Total accumulated losses of the Company and its subsidiary companies:		
- Realised	(989)	(17,452)
- Unrealised	223	1,991
	(766)	(15,461)
Less: Consolidated adjustments	(13,548)	1,292
	<u>(14,314)</u>	<u>(14,169)</u>

2.13 Authorisation for Issue

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