

WINTONI GROUP BERHAD

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

| | AS AT 30.06.2016 | AS AT 31.12.2015 |
|--|---------------------|---------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current asset | | |
| Property, plant and equipment | 11 | 12 |
| | <u>11</u> | <u>12</u> |
| Current assets | | |
| Trade receivables | 7 | 47 |
| Other receivables, deposit and prepayment | 355 | 357 |
| Tax recoverable | 1 | - |
| Cash and bank balances | 159 | 133 |
| | <u>522</u> | <u>537</u> |
| TOTAL ASSETS | <u>533</u> | <u>549</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the company | | |
| Share capital | 25,650 | 25,650 |
| Share premium | 10,199 | 10,199 |
| Reserves | 16,171 | 15,237 |
| Accumulated losses | (60,056) | (59,696) |
| | <u>(8,036)</u> | <u>(8,610)</u> |
| Non-controlling interest | (62) | 7 |
| Total Equity | <u>(8,098)</u> | <u>(8,603)</u> |
| Current Liabilities | | |
| Trade payables | 6,585 | 7,600 |
| Other payables | 2,044 | 1,494 |
| Tax payable | 2 | 44 |
| Finance lease liability | - | 14 |
| | <u>8,631</u> | <u>9,152</u> |
| TOTAL EQUITY AND LIABILITIES | <u>533</u> | <u>549</u> |
| Net assets per share attributable to ordinary equity holders of the Company (sen) | -0.16 | -0.17 |

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD

(Company No: 766535 P)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2016

| | Unaudited | Unaudited | Unaudited | Unaudited |
|--|--|--|--|--|
| | Individual Quarter | | Cumulative Quarter | |
| | Current Year Quarter 30.06.2016 RM'000 | Preceding year Corresponding Quarter 30.06.2015 RM'000 | Current Year To Date 30.06.2016 RM'000 | Preceding Corresponding Year To Date 30.06.2015 RM'000 |
| Revenue | 246 | 1,097 | 292 | 4,417 |
| Cost of sales | (176) | (2,977) | (205) | (4,121) |
| Gross profit | 70 | (1,880) | 87 | 296 |
| Other income | - | 1,009 | - | 1,132 |
| Selling, distribution and other expenses | - | (7,901) | - | (7,917) |
| Administrative expenses | (353) | (2,462) | (447) | (5,206) |
| Other expenses | 1,660 | (2,806) | - | (2,806) |
| Loss from operations | 1,377 | (14,040) | (360) | (14,501) |
| Finance costs | - | - | - | - |
| Loss before taxation | 1,377 | (14,040) | (360) | (14,501) |
| Taxation | - | - | - | - |
| Loss after taxation | 1,377 | (14,040) | (360) | (14,501) |
| Attributable to:- | | | | |
| Equity holder of the parent | 1,460 | (14,040) | (239) | (14,501) |
| Non-controlling interests | (83) | - | (121) | - |
| | 1,377 | (14,040) | (360) | (14,501) |
| Loss per share (sen) | 0.27 | (2.65) | (0.07) | (2.83) |
| Diluted loss per share (sen) | (0.09) | - | (0.09) | - |

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD

(Company No: 766535 P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016**

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|--|
| | Current Year Quarter 30.06.2016 RM'000 | Preceding year Corresponding Quarter 30.06.2015 RM'000 | Current Year To Date 30.06.2016 RM'000 | Preceding Corresponding Year To Date 30.06.2015 RM'000 |
| (Loss)/Profit for the period | 1,377 | (14,040) | (360) | (14,501) |
| Other comprehensive (loss)/income: | | | | |
| Exchange difference on translation of foreign operations | 995 | (487) | 995 | (487) |
| Other comprehensive (loss)/income for the period | 995 | (487) | 995 | (487) |
| Total comprehensive (loss)/income for the period | 2,372 | (14,527) | 635 | (14,988) |
| Attributable to:- | | | | |
| Equity holder of the Company | 2,372 | (14,527) | 635 | (14,988) |
| Non-controlling interests | - | - | - | - |
| | 2,372 | (14,527) | 635 | (14,988) |

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

Company No: 766535 P

WINTONI GROUP BERHAD
(Company No: 766535 P)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016**

| Group | <----- Attributable to equity holders of the Company -----> | | | | | | | | Distributable | Total | Non-Controlling Interest | Total Equity |
|--|---|---------------|-------------------|-------------------|--------------------|-----------------|------------------------------|----------------|-----------------------|----------------|--------------------------|----------------|
| | <----- Non-distributable -----> | | | | | | | | | | | |
| | Share Capital | Share Premium | Statutory Reserve | Statutory Reserve | Discount on Shares | Capital Reserve | Exchange Fluctuation Reserve | Other Reserve | Unappropriated Losses | RM'000 | RM'000 | RM'000 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| For the period ended 30 June 2016 | | | | | | | | | | | | |
| Balance at 01 January 2016 | 25,650 | 10,199 | - | 1,080 | (1,080) | 17,457 | 3,281 | (5,500) | (59,696) | (8,609) | 6 | (8,603) |
| Total comprehensive profit/(loss) for the period | - | - | - | - | - | - | 995 | - | (360) | 635 | (68) | 567 |
| Balance at 30 June 2016 | <u>25,650</u> | <u>10,199</u> | <u>-</u> | <u>1,080</u> | <u>(1,080)</u> | <u>17,457</u> | <u>4,276</u> | <u>(5,500)</u> | <u>(60,056)</u> | <u>(7,974)</u> | <u>(62)</u> | <u>(8,036)</u> |
| For the period ended 30 June 2015 | | | | | | | | | | | | |
| Balance at 01 January 2015 | 25,650 | 10,199 | 524 | 1,080 | (1,080) | 17,457 | 4,001 | (5,500) | (2,865) | 49,466 | - | 49,466 |
| Total comprehensive profit for the period | - | - | - | - | - | (1,452) | (487) | - | (14,501) | (16,440) | - | (16,440) |
| Balance at 30 June 2015 | <u>25,650</u> | <u>10,199</u> | <u>524</u> | <u>1,080</u> | <u>(1,080)</u> | <u>16,005</u> | <u>3,514</u> | <u>(5,500)</u> | <u>(17,366)</u> | <u>33,026</u> | <u>-</u> | <u>33,026</u> |

The Audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD

(Company No:766535 P)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2016**

| | Year-to-date ended | |
|--|--------------------|-------------|
| | 30.06.2016 | 30.06.2015 |
| | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (360) | (14,501) |
| Adjustments for: | | |
| Non-cash items | 809 | 1,564 |
| Operating loss before working capital changes | 449 | (12,937) |
| | | |
| (Increase)/Decrease in inventories | - | 1,697 |
| Decrease/(Increase) in trade and other receivables | 42 | 1,206 |
| Increase in trade and other payables | (465) | 7,888 |
| Increase in amount due from customers on contracts | - | - |
| Cash used in operations | 26 | (2,146) |
| | | |
| Tax paid | - | - |
| Interest received | - | 1 |
| Net cash used in operating activities | 26 | (2,145) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | - | (3,982) |
| Placement of fixed deposit pledge a bank | - | (5) |
| Proceed from disposal of property, plant and equipment | - | 1,000 |
| Asset held for sale | - | 165 |
| Issuance of share capital | - | - |
| Net cash from investing activities | - | (2,822) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of finance lease liability | - | (8) |
| Net cash used in financing activity | - | (8) |
| CASH AND CASH EQUIVALENTS | | |
| Net changes | 26 | (4,975) |
| Bought forward | 133 | 4,903 |
| Effects of exchange rate changes | - | 133 |
| CASH AND CASH EQUIVALENTS AT 30 JUNE | 159 | 61 |

Note:

The Audited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the unaudited financial statement for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

WINTONI GROUP BERHAD

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**NOTES TO INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016****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:-

| | <u>Name of Company</u> | <u>Place of Incorporation</u> | <u>Effective Equity Interest</u> | | <u>Principal Activities</u> |
|----|----------------------------------|-------------------------------|----------------------------------|-------------|---|
| | | | <u>2016</u> | <u>2015</u> | |
| | | | <u>%</u> | <u>%</u> | |
| 1. | Wintoni Engineering Sdn. Bhd. | Malaysia | 100 | 100 | Engaged in the business of solution provider, system designer of automation systems and research and development. |
| 2. | Planet Wireless Holdings Limited | Anguilla | 100 | 100 | Engaged in the business of Mobile Application Gateway and Mobile Internet Platform Services. |
| 3. | Planet Wireless Sdn Bhd | Malaysia | 100 | 100 | Engaged in the business of Network information centre |
| 4. | Syscomp Technology Sdn Bhd | Malaysia | 60 | - | 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 2016, have been prepared in accordance with MFRS 134 Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2015. 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 2015.

1.3 Qualification of financial statements

There was audit qualification reported in audited financial statements of the Group for the financial year ended 31 December 2015.

Basis of qualified Opinion

As disclosed in Note 33 to the financial statements, the Company had on 21 August 2015 and 27 August 2015 disposed of its subsidiary companies, namely Shanghai Winner Electrical Co., Ltd., Shanghai Winco Electrical Co., Ltd. ("Shanghai Group") and Wintoni Power Sdn. Bhd. ("Wintoni Power") respectively. Consequently, all the accounting records and information of Shanghai Group and Wintoni Power were transferred to the acquirer and the Company had no right to access to these accounting records and information subsequent to disposal dates. As such, the relevant accounting records and information of Shanghai Group and Power were not made available to us during our audit for the financial year ended 31 December 2015.

Consequently, the financial position and results of Shanghai Group and Wintoni Power at the date of disposals prepared by the management for the computation of the gain on disposal of subsidiary companies include significant amounts based on estimates. Based on the unaudited management financial information, the aggregated financial contributions of Shanghai Group and Wintoni Power to the Group's assets and liabilities as at the date of disposals were RM12,812,398 and RM13,162,995 respectively and the loss after tax prior to disposals is RM4,790,483; which is significant to the Group's financial position and results for the financial year ended.

We are unable to obtain sufficient appropriate audit evidence to ascertain the possible adjustments, if any, that may be required to be made to the current financial year Group's results and cash flows had the relevant accounting records and information of Shanghai Group and Wintoni Power up to the date of disposals were made available for our audit purposes.

As disclosed in Note 33 to the financial statements, there was a break in to the Company's office on 12 November 2015 resulted all the accounting records and assets of the Company and of its subsidiary companies, namely Wintoni Engineering Sdn. Bhd., Planet Wireless Holdings Limited and Planet Wireless Sdn. Bhd. were stolen.

Due to the break in, the management has not been able to provide us with the financial records of the Company and of its subsidiary companies, namely Wintoni Engineering Sdn. Bhd., Planet Wireless Holdings Limited and Planet Wireless Sdn. Bhd. for the financial year then ended. Consequently, we are unable to verify the appropriateness of the entire financial statements due to the absence of the documents. Furthermore, management is unable to quantify the extent of the financial losses resulting from the suspension of its businesses. Additional and consequential damages resulting from the break in have also not been reflected in the financial statements. In the absence of financial information after the reporting date, we were not able to perform audit procedures to review the events after the reporting period and determine whether any potential audit adjustments are required to be made or subsequent events to be disclosed in the financial statements for the financial year ended 31 December 2015.

As disclosed in Note 2.2 to the financial statements, the Group has net liabilities of RM8,602,637 and net current liabilities of RM8,614,239 respectively. The Company has net liabilities of RM906,466 and net current liabilities of RM916,498 respectively.

On 26 February 2016, the Company has announced that it became an Affected Listed Issuer pursuant to Guidance Note 3 ("GN 3") of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The ability of the Group and of the Company to continue as a going concern is dependent on the formalisation and successful implementation of the regularisation plan of the Company to restore its financial position and achieving sustainable and viable operations.

The application of the going concern concept is based on the assumption that the Group and the Company will be able to realise their assets and liquidate their liabilities in the normal course of business. Should the formalisation and implementation of the regularisation plan not materialise or not approve, the application of the going concern concept may be inappropriate and adjustments may be required to, inter alia, write down assets to their immediate realisable value, reclassify all long term assets and liabilities as current and to provide for further costs which may arise.

Disclaimer Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. Accordingly, we do not express an opinion on the financial statements.

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 year ended 31 March 2016 is tabulated below:

(a) Geographical Segment:-

| Segment | Malaysia and other regions | The People's Republic of China | Elimination | Total |
|-------------------------------|----------------------------|--------------------------------|-------------|-----------|
| Revenue | 291,991 | - | - | 291,991 |
| Profit/(Loss) before taxation | (360,328) | - | - | (360,328) |

(i) Revenue by Geographical location

| Location | Revenue |
|---------------------------|---------|
| Malaysia | 291,991 |
| Asia, other than Malaysia | - |
| Europe | - |
| Africa | - |
| Total | 291,991 |

(b) Business Segment:-

| Segment | Revenue |
|------------------------------------|---------|
| Automation Sector | - |
| ICT and mobile application | 291,991 |
| Energysaving products and services | - |
| Total | 291,991 |

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 is no material event subsequent to the end of the reporting period.

1.12 Changes in the composition of the Group

There is no material changes in the composition of the Group.

1.13 Contingent liabilities or contingent assets

The Group does not have any contingent liabilities or contingent assets as at 30 June 2016.

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 RM0.246 million and profit before tax of RM1.377 million in current quarter as compared to revenue and loss before tax of RM1.097million and RM14.04 million respectively in the preceding year's corresponding quarter. The Group's sales decrease due to bad condition in global IT industry has registered revenue of RM 0.246 million in current year as compare to revenue of RM1.097 million in preceding year's corresponding quarter. Due to lack of funding for new business opportunities. The Group is unable to implement any business plan or any proper business direction as there is litigation concerning a group of shareholders acting in concert and holding more than 33% of the issued shares of the Company.

2.2 Comparison with immediate preceding quarter

| | Current Quarter Ended 30-Jun-16 RM'000 | Immediate Preceding Quarter Ended 31-Mar-16 RM'000 |
|---------------------------|---|---|
| Revenue | 246 | 46 |
| (Loss)/ Profit before tax | 1,377 | (1,737) |

Revenue for the current quarter increased to RM246 thousand from RM46 thousand in the immediate preceding quarter and recorded gain before tax of RM1.377 million compare with loss before tax of RM1.737 million in immediate preceding quarter. This is mainly due to dividend written off from the dividend

2.3 Prospects

The management has identified potential profitable projects. However, the group is unable to procure funding to secure these projects as there is uncertainty as to which shareholder group who may be acting in concert, who are potentially in a position to control the group. Resolution of this uncertainty is crucial for the resumption of business activity.

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 | |
|--|--|--|--|--|
| | 31 December 2015 RM'000 | 31 December 2014 RM'000 | 31 December 2015 RM'000 | 31 December 2014 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 Anguila, and is computed based on the current period's results.

2.6 Status of corporate proposals

Not applicable

2.7 Borrowings and debt securities

There is no any borrowing or debt securities for the year ended 30 June 2016.

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 Loss per share

The calculation of basic 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 RM0.05 each in issue during the quarter/year.

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|--------------------------|---------------------|--------------------------|---------------------|
| | 30 June 2016 RM'000 | 30-Jun-15 RM'000 | 30 June 2016 RM'000 | 30-Jun-15 RM'000 |
| Loss attributable to equity holders of the parent | 1,460 | (14,040) | (239) | (14,501) |
| Weighted average number of ordinary shares in issue ('000) | 513,000 | 330,000 | 513,000 | 330,000 |
| Basic loss per share (sen) | 0.27 | (2.65) | (0.07) | (2.83) |
| Diluted loss per share (sen) | (0.09) | - | (0.09) | - |

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

2.11 Loss before tax

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|---------------------|--------------------------|---------------------|
| | 30 June 2016 RM'000 | 30-Jun-15 RM'000 | 30 June 2016 RM'000 | 30-Jun-15 RM'000 |
| Loss before tax has been determined after charging / (crediting) amongst other items the following: | | | | |
| Interest income | - | (1) | - | (1) |
| Depreciation | 1 | 1,282 | 2 | 2,806 |
| Net foreign exchange loss | - | 426 | - | 487 |

The Company has written off assets belonging to its subsidiary, Planet Wireless Holdings Limited due to the asset failing to function completely and no future economic benefit can be expected from its use unless the business of the Company can be revived back to support the value of the asset.

| | | |
|---------------------------------|-------------------|----------|
| Contracted but not provided for | <u>15,577,607</u> | <u>-</u> |
|---------------------------------|-------------------|----------|

2.12 Realised and unrealised loss

| | <u>30 Jun 2016</u> RM'000 | <u>30 Jun 2015</u> RM'000 |
|---|------------------------------|------------------------------|
| Total accumulated losses of the Company and its subsidiary companies: | | |
| - Realised | - | - |
| - Unrealised | - | - |
| Less: Consolidated adjustments | - | - |

2.13 Authorisation for Issue

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