

WINTONI GROUP BERHAD

(Company No 766535-P)

(Incorporated in Malaysia)

FINANCIAL REPORT

UNAUDITED FOR THE 2ND QUARTER

ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2017

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Corresponding Quarter	Current Year To Date	Corresponding Period
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Revenue	-	246	74	292
Cost of sales	-	(176)	(36)	(205)
Gross profit/ (loss)	-	70	38	87
Other income	-	-	-	-
Administrative expenses	(25)	(353)	(173)	(447)
Other expenses	-	1,660	-	-
Operating profit / (loss)	(25)	1,377	(135)	(360)
Profit/(loss) before taxation	(25)	1,377	(135)	(360)
Taxation	-	-	-	-
Profit/(loss) after tax for the period	(25)	1,377	(135)	(360)
Other comprehensive income/(loss)				
<i>Items that will be reclassified subsequently to profit or loss, net of tax</i>				
Exchange difference on translation of foreign operations	-	995	-	995
Total other comprehensive income/ (loss) for the period	-	995	-	995
Total comprehensive income/(loss) for the period	(25)	2,372	(135)	635
Profit/(loss) for the period attributable to:				
Owners of the Company	(25)	1,460	(135)	(239)
Non-controlling interest	-	(83)	-	(121)
	(25)	1,377	(135)	(360)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(25)	2,372	(135)	635
Non-controlling interest	-	-	-	-
	(25)	2,372	(135)	635
Earnings/ (loss) per share :-				
- Basic (sen)	(0.005)	0.285	(0.026)	(0.047)
- Diluted (sen)	-	(0.016)	-	(0.024)

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements. The audited accounts has yet to be completed during the current quarter under review.

The annexed notes are an integral part of this statement.

Wintoni Group Berhad
(Company No. 766535-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

ASSETS	Note	As at RM'000	As at RM'000
Non-Current Assets			
Property, plant and equipment		13	13
		<u>13</u>	<u>13</u>
Current Assets			
Trade receivables		4	12
Other receivables, deposits and prepayments		53	53
Cash and bank balances		94	90
		<u>151</u>	<u>155</u>
TOTAL ASSETS		<u>164</u>	<u>168</u>
EQUITY			
Share capital		25,650	25,650
Share premium		10,199	10,199
Reserves		14,565	14,565
Accumulated losses		<u>(61,355)</u>	<u>(61,220)</u>
Equity attributable to the shareholders of the Company		<u>(10,941)</u>	<u>(10,806)</u>
Non-controlling interest		<u>(101)</u>	<u>(101)</u>
TOTAL EQUITY		<u>(11,042)</u>	<u>(10,907)</u>
LIABILITIES			
Current Liabilities			
Trade payables		8,264	8,267
Other payables and accruals		2,884	2,750
Tax payable		44	44
Finance Lease liability		14	14
		<u>11,206</u>	<u>11,075</u>
TOTAL EQUITY AND LIABILITIES		<u>164</u>	<u>168</u>
Net Assets per share (RM)		(0.21)	(0.21)

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements. The audited accounts has yet to be completed during the current quarter under review.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2017

For the period ended 30 June 2017

		Attributable to owners of the parent										Exchange	
Ordinary Shares RM'000	Share Premium RM'000	Statutory Reserve RM'000	Discount on Shares RM'000	Capital Reserve RM'000	Fluctuation Reserve RM'000	Other Reserve RM'000	Retained Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000			
25,650	10,199	1,080	(1,080)	17,457	2,609	(5,500)	(61,329)	(10,914)	108	(10,806)			
-	-	-	-	-	-	designer o	(135)	(135)	-	(135)			
25,650	10,199	1,080	(1,080)	17,457	2,609	Engaged	(61,464)	(11,049)	108	(10,941)			

Total comprehensive income/ (loss) for the quarter

For the period ended 31 December 2016

		Attributable to owners of the parent										Exchange	
Ordinary Shares RM'000	Share Premium RM'000	Statutory Reserve RM'000	Discount on Shares RM'000	Capital Reserve RM'000	Fluctuation Reserve RM'000	Other Reserve RM'000	Retained Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000			
25,650	10,199	1,080	(1,080)	17,457	3,281	(5,500)	(59,696)	(8,609)	7	(8,602)			
-	-	-	-	-	(672)	-	(1,633)	(2,305)	101	(2,204)			
25,650	10,199	1,080	(1,080)	17,457	2,609	(5,500)	(61,329)	(10,914)	108	(10,806)			

Balance as at 1 January 2016

Total comprehensive income for the period

Balance as at 31 December 2016

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements. The audited accounts has yet to be completed during the current quarter under review.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2017**

	Current Year 30.6.2017 RM'000	Unaudited Financial #REF! RM'000
Cash flow from operating activities		
Profit before taxation	(135)	(1,633)
Adjustment for:-		
Non-cash items	-	-
Operating loss before working capital changes	<u>(135)</u>	<u>(1,633)</u>
 (Increase)/ Decrease in inventories	 -	 -
 Decrease /(Increase) in trade and other receivables	 8	 340
Increase/ (Decrease) in trade and other payables	131	1,923
 Increase/ (Decrease) in amount due from customers on contracts	 -	 -
Cash utilised in operations	<u>4</u>	<u>630</u>
 Tax paid	 -	 -
Interest received	-	-
Net cash used in operating activities	<u>4</u>	<u>630</u>
 Cash flows from investing activities		
Purchase of property, plant and equipment	-	(1)
 Proceeds from disposal of quoted shares	 -	 -
Net cash from investing activities	<u>-</u>	<u>(1)</u>
 Cash flows from financing activities		
Net Cash used in financing activities	<u>-</u>	<u>-</u>
 Net (decrease)/increase in cash and cash equivalents	 4	 629
Exchange differences on cash and cash equivalents	-	(672)
Cash and cash equivalents at beginning of the year	90	133
Cash and cash equivalents at the end of the period	<u>94</u>	<u>90</u>
 Cash and cash equivalents comprise:		
Cash and bank balances	94	90
	<u>94</u>	<u>90</u>

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements. The audited accounts has yet to be completed during the current quarter under review.

**1 EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2017**

1.1 Corporate Information

Wintoni Group Berhad ("Wintoni" or "the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"):

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

	Name of Company	Place of Incorporation	Effective Equity Interest %	Principal Activities
i)	Wintoni Engineering Sdn Bhd	Malaysia	100	Engaged in the business of solution provider, system designer of automation systems and research and development.
ii)	Planet Wireless Holdings Limited	Anguilla	100	Engaged in the business of Mobile Application Gateway and mobile Internet Platform Services.
iii)	Planet Wireless Sdn Bhd	Malaysia	100	Engaged in the business of Network Information centre.
iv)	Syscomp Technology Sdn Bhd	Malaysia	60	Engaged in the business of Mobile Application Gateway and Mobile Internet Platform Services.

1.2 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act, 2016, Interim Financial Reporting and paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements of the Group should be read in conjunction with the unaudited financial statements for the financial year ended ("FYE") 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the charges in the financial position and performance of the Group since the FYE 31 December 2016. The financial statements of the Group for FYE 31 December 2016 are prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies.

1.3 Qualification of financial statements

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

The details and reasons of qualifications has been clearly explained in the previous quarters, it is hereby summaries below:

- a) In August 2015 : The Company disposed the Shanghai Winner Electrical Co. Ltd, Shanghai Winco Electrical Co. Ltd and Wintoni Power Sdn Bhd, of which, the auditor was unable to sight on the appropriate audit evidence to ascertain the possible adjustment, if any, that may be required to be made to the subsequent financial year of the Group's results and cash flows on the relevant transactions.
- b) In November 2015: There was a break in to the Company's office 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. Hence the Management then was unable to quantify the extend of the financial losses resulting from the suspension of its businesses. Therefore, auditors do not express an opinion on the financial statements.

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

1.4 Auditors' Report on preceding annual financial statements

The auditors' reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2016 were not ready as per current quarter under review.

1.5 Seasonality or cyclical

The Group's operations have not been materially affected by any seasonal/cyclical factors.

1.6 Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows

There was no item or event that was unusual by reason of its nature, size or incidence during the current quarter which affected the assets, liabilities, equity, net income or cash flows of the Group. No record of the book keeping, since the person in-charge left the Company together with the old Management team.

1.7 Changes in estimates

There was no material change in the estimates used for the preparation of these interim financial statements.

1.8 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

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

1.9 Valuation of property, plant and equipment

There was no change in the valuation of the property, plant and equipment reported in the previous audited financial statements that would have an effect on the current quarter's financial statements.

1.10 Material events subsequent to the end of the interim period

- a. That on 19 June 2017, the old Board appointed the Interim Liquidator. Hence, it was found the documents filed with SSM was incomplete, therefore, the appointment has been deemed to be null and void. At the sametime, the Company Secretary namely from Boardroom.com had tendered their resignation too.
- b. That on 20 June 2017, the Company conducted an Extraordinary General Meeting ("EGM") duly called by the Shareholders of the Company to remove the full Board of Directors (herein known as "old Board") namely Dato' Seri Mohd Shariff Bin Omar, Encik Ahmad Amryn Bin Abdu Malek and Encik Raja Kamarudin Raja Adnan. That the new Directors (herein known as "new Board") who are Mr Cheah Kwong Lee, Encik Mohd Nasir Bin Salleh and Ms Wong Mei Tien. The name of new Company Secretary is Ms Wong Youn Kim.
- c. As there was no proper handover, the new Board is not able to obtain the books and records from the old Board. The new Board has recently obtained legal opinions on the validity of the appointment of the liquidators and will now proceed to act accordingly.

1.11 Change in the composition of the Group

There was no change in the composition of the Group for the quarter under review.

1.12 Contingent liabilities and contingent assets

There was no contingent asset and liability during the financial quarter under review.

1.13 Segmental information

The revenue and profit/(loss) before taxation of the Group for the current quarter were generated from the segments were not able to report due to the books and records was incomplete.

2 EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENT

2.1 Review of performance

TABLE 1 : FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE FOR THE QUARTER ENDED 30 JUNE 2017

	Individual Quarter				Cumulative Quarter			
	Current Quarter	Preceding Year Corresponding Quarter	Changes Amount	Changes %	Current Year To Date	Preceding Year Corresponding Period	Changes Amount	Changes %
	30.6.2017 RM'000	30.6.2016 RM'000			30.6.2016 RM'000	RM'000		
Revenue	-	246	(246)	-100%	74	292	(218)	-75%
Operating profit / (loss)	(25)	1,377	(1,402)	-102%	(135)	(360)	225	-63%
Profit/(loss) before taxation	(25)	1,377	(1,402)	-102%	(135)	(360)	225	-63%
Profit/(loss) after tax for the period	(25)	1,377	(1,402)	-102%	(135)	(360)	225	-63%
Profit/(loss) for the period attributable to:								
Owners of the Company	(25)	1,460	(1,485)	-102%	(135)	(239)	104	-44%
Non-controlling interest	-	(83)	83	-100%	-	(121)	121	-100%
	(25)	1,377	(1,402)	-102%	(135)	(360)	225	-63%

During the quarter ended 30 June 2017, the Group recorded no revenue during the quarter, as compared with RM246,000 in the corresponding quarter of the preceding year. The operation expenses during the quarter amounted to RM25,000, as compared with RM353,000 in the corresponding quarter of the preceding year. The Group recorded an after tax loss of RM25,000 during the quarter, as compared to an after tax profit of RM1.377 million in the corresponding quarter of the preceding year.

During the quarter ended 30 June 2017, as indicated earlier that the books and records had yet to handover by the old Board as explained in item 1.1 above, hence the Group hereby do not comment on the performance except acknowledged in the costs incurred owing to other creditors pertaining to costs conducting Extraordinary General Meeting, legal fees in obtaining legal opinion, consultancy fees, and reimbursement on travelling expenses. Save from the above the full comments will be provided until all transactions duly verified and supported by the relevant documents.

2.2 Material Changes in The Profit/ (Loss) Before Tax As Compared To the Immediate Preceding Quarter

TABLE 2: FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	Individual Quarter			
	Current Quarter	Immediate Preceding Quarter	Changes Amount	Changes %
	30.6.2017 RM'000	31.3.2017 RM'000		
Revenue	-	74	(74)	-100%
Operating profit / (loss)	(25)	(110)	(85)	-77%
Profit/(loss) before taxation	(25)	(110)	(85)	-77%
Profit/(loss) after tax for the period	(25)	(110)	(85)	-77%
Profit/(loss) for the period attributable to:				
Owners of the Company	(25)	(110)	(85)	-77%
Non-controlling interest	-	-	-	-
	(25)	(110)	(85)	-77%

The Group recorded zero revenue in this quarter, compared with a revenue of RM74,000 in the preceding quarter, and an unaudited loss before tax of RM25,000, compared with loss before tax of RM110,000 in the preceding quarter. The operating losses was due to administration costs incurred in changes from the old Board to the new Board as explained in note 2.1 above.

The Group duly noted that was a new format required by Bursa Malaysia pertaining to the reporting of quarterly results. Hence, due to unforesee circumstances on the delay, the Company will continue in follow up on the books and records of the Company and shall report the details of the transactions in accordance to true and fair view in the future.

Save from the above disclosure, the Group took all reasonable steps in monitoring the costs spending, and also make details in feasibility study before any decision in investment, in order to minimise risk.

2.3 Prospects

Following the legal opinions received, the new Board is now able to proceed to provide clear strategic and planning for the organization.

The new Board also working on the several plan and business opportunities for the Company, the Group will make the announcement upon the mature stage. Hence, the focus of the Company is for it to be a going concern, and this will be also furnished to Bursa Malaysia accordingly.

Looking after all shareholders interest is the main priority of the new Board. To achieve this, the Company must obtain sustainable plans to revive the listing status and not to delist the counter.

2.4 Profit forecast

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter under review.

2.5 Profit/(Loss) Profit before Taxation

The Group hold its comment until the full update of the books and records in due course, other than declare the expenses incurred during the quarter under review.

There was no interest income or interest expense for the quarter under review.

2.6 Taxation

	Current Quarter 30.6.2017 RM'000	Current Year To Date 30.6.2017 RM'000
Current provision	-	-

The effective tax rate of the Group was higher than the statutory tax rate as some subsidiaries were incurring losses.

2.7 Unquoted investments and/or properties

There was no unquoted investment for the quarter under review.

2.8 Status of corporate proposals

There was no corporate proposal, merger and acquisition exercises for the current quarter under review.

2.9 Group borrowings

There was no bank borrowing by the Group for the current quarter and financial year to date.

2.10 Material litigation

There was no material litigation for the current quarter under review.

2.11 Dividend

There was no dividend proposed or declared during the quarter under review.

2.12 Procurement of new contract/termination of existing contract

There was no procurement of new contract for the quarter under review. The new Board does not aware whether the old Board service was under contract basis or otherwise stated. Nevertheless, the contract shall be deemed terminated since the old Board was removed by the Shareholders of the Company.

2.13 Impairments of assets or receivables

The Group holds it comment to the above until obtain of the books and records of the Company.

2.14 Fair value gain on investment

There was no fair value gain on investment during the current quarter under review.

2.15 Realised and Unrealised Profits

The Group holds it comment to the above until obtain of the books and records of the Company, and until finalizing on the Group audited accounts for the financial year ended 31st December 2016.

2.16 Basis of calculation of earnings per share

The basic and fully diluted earnings per share for the quarter and cumulative year to date are computed as follows:

	Current Quarter 30.6.2017	Preceding Year Corresponding Quarter 30.6.2016	Current Year To Date 30.6.2017	Preceding Year Corresponding Period 30.6.2016
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	(25)	1,460	(135)	(239)
Weighted average number of shares issue ('000)	513,000	513,000	513,000	513,000
- Basic earnings per share (sen)	(0.005)	0.285	(0.026)	(0.047)
- Diluted earnings per share (sen)*	-	(0.016)	-	(0.024)

**Fully diluted earnings per share was computed and remained unchange as reported earlier.*