

**WINTONI GROUP BERHAD**  
**[Company No 200701008533 (766535-P)]**  
(Incorporated in Malaysia)

**FINANCIAL REPORT**  
**UNAUDITED FOR THE 3RD QUARTER**  
**ENDED 30 SEPTEMBER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.09.2020 RM'000	Corresponding Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Corresponding Period 30.09.2019 RM'000
Revenue	8,532	-	19,810	-
Cost of sales	(6,149)	-	(14,693)	-
Gross profit	2,383	-	5,117	-
Other income	2	1,136	2,353	1,136
Administrative expenses	(269)	(921)	(830)	(921)
Other expenses	-	-	-	-
Operating profit	2,116	215	6,640	215
Finance costs	-	-	-	-
Profit before taxation	2,116	215	6,640	215
Taxation	(562)	-	(1,205)	-
<b>Profit after tax for the period</b>	<b>1,554</b>	<b>215</b>	<b>5,435</b>	<b>215</b>
<b>Other comprehensive income/(loss)</b>				
<i>Items that will be reclassified subsequently to profit or loss, net of tax</i>				
Exchange difference on translation of foreign operations	-	-	(5)	-
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,554</b>	<b>215</b>	<b>5,430</b>	<b>215</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	1,554	215	5,430	215
Non-controlling interest	-	-	-	-
	<b>1,554</b>	<b>215</b>	<b>5,430</b>	<b>215</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,554	215	5,430	215
Non-controlling interest	-	-	-	-
	<b>1,554</b>	<b>215</b>	<b>5,430</b>	<b>215</b>
Earnings per share :-				
- Basic (sen)	0.303	0.042	1.058	0.042
- Diluted (sen)	-	-	-	-

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

The annexed notes are an integral part of this statement.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Unaudited As at 30.09.2020	Audited As at 31.12.2019
ASSETS	Note	RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	97	25
Right-of-use assets	54	-
	<u>151</u>	<u>25</u>
<b>Current Assets</b>		
Trade receivables	14,179	1,120
Other receivables, deposits and prepayments	27	27
Cash and bank balances	817	120
	<u>15,023</u>	<u>1,267</u>
<b>TOTAL ASSETS</b>	<u>15,174</u>	<u>1,292</u>
<b>EQUITY</b>		
Share capital	35,849	35,849
Reserves	17,457	19,380
Accumulated losses	(57,465)	(62,900)
<b>Equity attributable to the shareholders of the Company</b>	(4,159)	(7,671)
Preference Shares	4,200	4,200
Non-controlling interest	-	(119)
<b>TOTAL EQUITY</b>	<u>41</u>	<u>(3,590)</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Lease Liability	44	-
	<u>44</u>	<u>-</u>
<b>Current Liabilities</b>		
Trade payables	10,579	980
Other payables and accruals	3,233	3,830
Lease Liability	11	-
Tax payable	1,266	72
	<u>15,089</u>	<u>4,882</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>15,174</u>	<u>1,292</u>
Net Assets per share (RM)	0.0001	(0.007)

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Current Year 30.09.2020 RM'000	Audited As at 31.12.2019 RM'000
<b>Cash flow from operating activities</b>		
Profit before taxation	6,640	(354)
Adjustment for:-		
Non-cash items	(1,802)	-
Operating profit/(loss) before working capital changes	<u>4,838</u>	<u>(354)</u>
Decrease /(Increase) in trade and other receivables	(13,060)	(1,136)
Increase in trade and other payables	<u>9,002</u>	<u>1,633</u>
Cash generated from operations	780	143
Tax paid	-	-
Interest received	-	-
<b>Net cash generated in operating activities</b>	<u>780</u>	<u>143</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(72)	(25)
<b>Net cash used in investing activities</b>	<u>(72)</u>	<u>(25)</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liability	(11)	-
<b>Net Cash used in financing activities</b>	<u>(11)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	697	118
Exchange differences on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	120	2
<b>Cash and cash equivalents at the end of the period</b>	<u>817</u>	<u>120</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	817	120
	<u>817</u>	<u>120</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

For the period ended 30 September 2020

	Exchange							Retained earnings/ losses/	Total	Non-controlling	Total
	Ordinary Shares	Warrant Reserve	Discount on Shares	Capital Reserve	Fluctuation Reserve	Other Reserve	(Accumulated losses)	RM'000	RM'000	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	35,849	-	-	17,457	7,424	(5,500)	(62,900)	(7,670)	4,200	(120)	(3,590)
Total comprehensive income/ (loss) for the quarters	-	-	-	-	(7,424)	5,500	5,435	3,511	-	120	3,631
Balance as at 30 September 2020	35,849	-	-	17,457	-	-	(57,465)	(4,159)	4,200	-	41

For the year ended 31 December 2019

	Exchange							Retained earnings/ losses/	Total	Non-controlling	Total
	Ordinary Shares	Warrant Reserve	Discount on Shares	Capital Reserve	Fluctuation Reserve	Other Reserve	(Accumulated losses)	RM'000	RM'000	Interest	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	35,849	1,080	(1,080)	17,457	7,422	(5,500)	(62,487)	(7,259)	-	(118)	(7,377)
Total comprehensive income/ (loss) for the quarters	-	(1,080)	1,080	-	2	-	(413)	(411)	-	(2)	(413)
Issuance of redeemable convertible preference share ("RCPS")	-	-	-	-	-	-	-	-	4,200	-	4,200
Balance as at 31 December 2019	35,849	-	-	17,457	7,424	(5,500)	(62,900)	(7,670)	4,200	(120)	(3,590)

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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**WINTONI GROUP BERHAD [REGISTRATION NO: 200701008533 (766535-P)] (“WINTONI” OR THE “COMPANY”)**

Quarterly report on unaudited consolidated results for the 3rd quarter ended 30 September 2020

**NOTES TO INTERIM FINANCIAL REPORT**

**PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134**

**1. Basis of Preparation**

The quarterly financial report ended 30 September 2020 is unaudited and has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") (“Listing Requirements”).

The report should be read in conjunction with the audited financial statements of Wintoni and its subsidiaries (“Group”) for the financial year ended 31 December 2019. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

**2. Significant Accounting Policy**

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2019 except for the newly-issued MFRS, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2020:

**a) New MFRSs and amendments adopted during the financial year**

The Group has adopted the following revised MFRSs and Amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for annual period beginning on or after 1 January 2020:

<u>Title</u>	<u>Effective date</u>
Amendment to <i>Reference to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 2: <i>Share-Based Payments</i>	1 January 2020
Amendments to MFRS 3: <i>Business Combinations (Definition of a Business)</i>	1 January 2020
Amendments to MFRS 7: <i>Financial Instruments-Disclosure (Interest Rate Benchmark Reform)</i>	1 January 2020
Amendments to MFRS 9: <i>Financial Instruments (Interest Rate Benchmark Reform)</i>	1 January 2020
Amendment to MFRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101: <i>Presentation of Financial Statement (Definition of Material)</i>	1 January 2020
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)</i>	1 January 2020
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	1 January 2020

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## 2. Significant Accounting Policy (continued)

### a) New MFRSs and amendments adopted during the financial year (continued)

Amendments to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendments to MFRS 138: <i>Intangible Assets</i>	1 January 2020
Amendments to MFRS 139: <i>Financial Instruments-Recognition and Measurement (Interest Rate Benchmark Reform)</i>	1 January 2020
Amendments to MFRS 16: <i>Covid-19 Related Rent Concessions</i>	1 June 2020

The adoption of the above pronouncement has no material financial impact to the Group.

### b) New MFRSs that have been issued but only effective for annual periods beginning on or after 1 January 2021

The following are the Standards of the MFRSs Framework that have been issued by MASB but have not been adopted by the Group.

Amendment to MFRS 10: <i>Consolidated Financial Statements (Sale or Contribution of Assets between Investor and its Associate or Joint Venture)</i>	1 January 2022
Amendment to MFRS 128: <i>Investment in Associate and Joint Ventures (Sale or Contribution of Assets between Investor and its Associate or Joint Venture)</i>	Deferred

The Group and the Company are still in the process of assessing the impact of the above standard and amendments since the effects would be observable in the future financial years.

## 3. Auditors' Report on Preceding Annual Financial Statement

The auditors' report on the financial statements for the financial year ended 31 December 2019 contained qualification opinion.

The Independent Auditor have expressed a basis of qualified opinion section in respect of assertion concerning on opening balance, insufficient documents and/or evidence pertaining to transactions in the financial year ended 31 December 2019, and material uncertainty relating to going concern.

## 4. Seasonal or Cyclical Factors

The Group's performances were not materially affected by any significant seasonal or cyclical factors for the current financial quarter under review.

## 5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Save for the novel Coronavirus disease (Covid-19) pandemic and the implementation of the movement control order by the Malaysian government, there were no items of unusual nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter ended 30 September 2020.

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**6. Material Changes in Estimates**

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

**7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

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

**8. Dividends Paid**

There were no dividends paid by the Company during the current financial quarter under review.

**9. Valuation of Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

There was no valuation of the property, plant and equipment in the current financial quarter under review.

**10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review save for the incorporation of a new wholly-owned subsidiary, Teampixel E-Commerce Sdn Bhd (“**Teampixel Ecom**”), on 7 October 2020 which principally engaged in the business of ICT software trading, consultancy, sales and marketing, and provision of general business to business and business to consumer trading through e-commerce platforms and internet social media.

**11. Segmental Information**

The segmental analysis of revenue of the Group for the financial period ended 30 September 2020 and 30 September 2019 is tabulated below:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Corresponding Quarter	Current Year To Date	Corresponding Period
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
E-commerce business	8,532	-	19,260	-
Consultancy services	-	-	550	-
<b>TOTAL</b>	<b>8,532</b>	<b>-</b>	<b>19,810</b>	<b>-</b>



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**12. Material Events Subsequent to the End of the Current Quarter**

On 28 October 2020, Teampixel Sdn Bhd (“**Teampixel**”) (a wholly-owned subsidiary of the Company) entered into a strategic partnership and territorial master distribution agreement with Alpha Plastic Resources Sdn Bhd (“**Alpha**”) as its distribution partner for the sale and distribution of Alpha’s CHEMCO products (including but not limited to industrial chemicals and materials such as Polypropylene (“**PP**”) resin, Acrylonitrile Butadiene Styrene (“**ABS**”) resin and waste electrical & electronic equipment (“**WEEE**”) raw materials) in Malaysia, Indonesia, Thailand, Cambodia and China with effect from 16 November 2020 (“**Agreement**”).

**13. Contingent Assets or Liabilities**

There were no contingent liabilities that have material effect during the financial quarter under review.

**14. Capital Commitments**

There were no capital commitments that have material effect during the financial quarter under review.

**15. Related Party Transaction**

The Group has not entered into any related party transaction during the financial quarter under review.

**PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements****16. Review of performance for the quarter ended 30 September 2020 and year-to-date**

For the quarter ended 30 September 2020, the Group generated RM 8.532 million in revenue. The revenue in the current quarter under review was contributed by its wholly-owned subsidiary, Teampixel, which was involved in provision of wholesale products on business-to-business (B2B) platform and consultancy services.

The Group recorded a profit before taxation of RM 6.640 million as at year-to-date ended 30 September 2020 mainly due to higher revenue generated as result of the growth in the e-commerce business carried out by Teampixel, gain on disposal of subsidiaries, and lower administrative expenses incurred.

**17. Comparison between the Current Quarter and the Immediate Preceding Quarter**

	Current Quarter Ended 30.9.2020 RM'000	Immediate Preceding Quarter Ended 30.06.2020 RM'000	Changes	
			Amount RM'000	Percentage %
Revenue	8,532	6,361	2,171	34.13
Gross profit	2,383	1,496	887	59.29
Profit before tax	2,116	1,153	963	83.52
Profit after tax	1,554	801	753	94.01

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The Group generated revenue of RM 8.532 million in current quarter ended 30 September 2020, an increase of RM2.171 million or 34.13% from the preceding quarter ended 30 June 2020 of RM6.361 million. The increase was mainly due to the increase in the sales of industrial chemical materials via e-commerce platform of Teampixel.

The profit before tax increased by RM 0.963 million or 83.52% to RM 2.116 million in current quarter ended 30 September 2020 as compared to immediate preceding quarter of profit before tax of RM 1.153 million while the profit after tax increased by RM 0.753 million or 94.01% to RM 1.554 million in current quarter ended 30 September 2020 as compared to immediate preceding quarter of profit after tax of RM 0.801 million. The increase in profit before tax and profit after tax mainly due to the higher revenue generated in current quarter as explained above and lower administrative expenses.

#### **18. Prospects for the Current Financial Year**

The Board is working towards expanding its e-commerce business by procuring contracts from more suppliers and buyers to increase the number of users and varieties of products on its e-commerce platform. As such, Teampixel had on 28 October 2020 entered into the Agreement with Alpha to increase the product offering of Teampixel to its customers in particular the WEEE raw materials in addition to PP resin and ABS resin which Teampixel is currently offering. The distributorship of the products also serves to diversify the revenue stream of the Company, thereby enhancing the sustainability of the Group's business.

Further, the Group will be leveraging on its information technology (IT) expertise to scale up its business venture into new B2C-online sales of consumer products via Teampixel Ecom (a newly incorporated wholly-owned subsidiary of the Company) which is in line with the Group's strategies to increase its source of revenue to ensure the sustainability of the Group's business. Currently, Teampixel Ecom is in the midst of exploring possible working arrangement with a company which is engaged in cash retail of consumer products to synergize business capabilities of both companies to further enhance the future earnings of the Group.

In view of the on-going Covid-19 pandemic, the Board of Directors of the Company is of the opinion that the prospects for the financial year ending 31 December 2020 will remain challenging. The Management will continue to explore more potential business opportunities both domestic and international markets and to focus on improving operational efficiencies to achieve sustainable business growth.

#### **19. Profit Forecast and Profit Guarantee**

The Group has not provided any profit estimate, forecast and projection in any public documents during the financial quarter under review except the profit guarantee from vendor derived from acquisition of Syscomp Technology Sdn Bhd in June 2015 that has yet to be discharged and the management is following up on this matter.

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**20. Taxation**

Taxation comprises:

	<b>Quarter ended</b>	<b>Year-to-date ended</b>
	<b>30.09.2020</b>	<b>30.09.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Income Tax		
Local	562	1,205
Overseas	-	-
Deferred Tax	-	-
	<hr/>	<hr/>
	562	1,205
Effective tax rate	<hr/> 24% <sup>(1)</sup>	<hr/> 24% <sup>(1)</sup>

*Note:*

(1) *Income tax expense is estimated at 24% by management based on profit contributed by the Company's subsidiary (i.e.Teampixel) only.*

**21. Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There was no purchase or disposals of unquoted investment and /or properties during the financial quarter under review.

**22. Purchase or Disposal of Quoted Securities**

There was no purchase or disposal of quoted securities by the Group during the financial quarter under review.

**23. Status of Corporate Proposals and Utilisation of Proceeds**

There are no corporate proposals announced by the Group during the financial quarter under review.

**24. Borrowings**

There is no bank borrowing by the Group for the financial quarter under review.

**25. Off Balance Sheet Financial Instruments**

The Group has not entered into any off balance sheet financial instruments as at the date of this quarterly report.

**26. Material Litigation**

There was no material litigation pending during the financial quarter under review.

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**27. Dividend**

No interim dividend has been declared or paid during financial quarter under review.

**28. Earnings Per Share (“EPS”)**

The basic EPS for the current quarter and cumulative period to date are computed as follows:

**a) Basic**

Basic EPS is calculated by dividing the net earnings attributable to the ordinary equity holders of the Company by weighted average number of shares during the financial period as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>Preceding Year</b>		<b>Preceding Year</b>
	<b>Current Quarter</b>	<b>Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Corresponding To Date</b>
	<b>30.9.2020</b>	<b>30.9.2019</b>	<b>30.9.2020</b>	<b>30.9.2019</b>
Profit attributable to the ordinary equity holders of the Company (RM'000)	1,554	215	5,430	215
Weighted average number of shares ('000)	513,000	513,000	513,000	513,000
Basic EPS (sen)	0.303	0.042	1.058	0.042

**b) Diluted**

The diluted earnings per ordinary share of the Company is similar to the basic earnings per ordinary share as the Company has no potential dilutive ordinary shares for the current financial year. The Company does not have outstanding warrant and option which may dilute its basis earnings per ordinary share.

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**29. Disclosure on selected expense/income items as required by the Listing Requirements**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>Year To</b>	<b>Corresponding</b>
	<b>30.9.2020</b>	<b>Quarter</b>	<b>Date</b>	<b>To Date</b>
	<b>RM'000</b>	<b>30.9.2019</b>	<b>30.9.2020</b>	<b>30.9.2019</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation is arrived at after charging/(crediting) :				
Gain on disposal of subsidiaries	-	-	(2,351)	-
Amortisation on right-of-use assets	11	-	33	-
Foreign exchange (gain)/loss	-	(1,136)	5	(1,136)
Other income – discount received for office rental	(2)	-	(2)	-

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirement of Bursa Securities are not applicable.

**BY ORDER OF THE BOARD**

Company Secretary

Date: 16 November 2020