WINTECH GROUP LIMITED AND CONTROLLED ENTITIES

ABN 36 003 087 689

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2009

INDEX

WINTECH GROUP LIMITED

ABN 36 003 087 689

COMPANY PARTICULARS

DIRECTORS
Mr Kim Wong (Executive Director)
Mr Yong Hua Tay (Non Exec Director)
Mr David Yap (Non Exec Director)
Mr Maurice William Gerkens (Non Exec Director)
Mr King Chuen Chong (Non Exec Director)

REGISTERED OFFICE
WinTech Group Ltd
Level 9, 552 Lonsdale Street
Melbourne Vic 3000
Telephone: (61) 3 8602 7300
Facsimile: (61) 3 9600 1930

COMPANY SECRETARY
Mr Kenneth Glynn

PRINCIPAL PLACE OF BUSIESS
WinTech Group Ltd
318 Albert Street
East Melbourne Vic 3002
Australia
Telephone: (61) 3 9417 6525
Facsimile: (61) 3 9417 4950

AUDITORS
William Buck Audit (Vic) Pty Ltd
Level 1, 465 Auburn Road
Hawthorn East Vic 3123

BANKERS
St-George Bank
114 William Street
Melbourne VIC 3000

SOLICITORS
Lander & Rogers
Level 12, 600 Bourke Street
Melbourne Vic 3000

SHARE REGISTRY
Registries Limited
Level 7, 207 Kent Street,
Sydney NSW 2000

STOCK EXCHANGE LISTING
WinTech Group Limited shares are listed on the Australian Securities Exchange Limited
ASX Code: WTG

DIRECTORS' REPORT

The Directors present their report together with the financial report of WinTech Group Limited (the "Company") and the economic financial report of the consolidated group, being the Company and its controlled entities for the year ended 30 June 2009.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Kim Wong – Managing Director and Acting Chairman
Yong Hua Tay
David Yap
Wei Li (resigned 23 February 2010)
King Chuen Chong (appointed 27 August 2009)
Maurice William Gerkens (appointed 6 April 2010)

PRINCIPAL ACTIVITIES

The principal activity of the consolidated group during the year was investment holding.

With the acquisition of Magnafield Technology Distribution Pty Ltd ("MTD"), the consolidated group commenced the wholesale and distribution of computers, computer components, electronic products and accessories on 17 April 2009.

OPERATING RESULTS

The consolidated group recorded a net loss after income tax of $5,038,925 and $922,659 for the years ended 30 June 2009 and 2008, respectively.

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid or declared since the end of the previous financial year and none are recommended.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated group are set out as follows:

Acquisition of Magnafield Technology Distribution Pty Ltd ("MTD")

WinTech subscribed to 30% equity in the capital of MTD for $300,000 as at 30 June 2008 and fully acquired the remaining 70% on 17 April 2009. MTD is an importer, wholesaler and distributor of telecommunications products and equipment, computer components and accessories. Upon completion of the acquisition, the company was reinstated to ASX. MTD is currently under receivership following the appointment of Deloitte Touche Tohmatsu as Receiver and Manager on 23 July 2009 by its financier due to default under its National Debtor Finance Facility. The investment in MTD and all goodwill that arose on acquisition was fully impaired as at 30 June 2009.

DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS

Name and Qualification	Experience & Qualifications
Kim Wong Executive Director and Acting Chairman	Appointed to the Board on 22 January 2003.
Qualifications and Experience:	Mr Kim Wong has over ten years of experience in capital markets and has been involved with raising capital for numerous private companies. Mr Wong has an extensive background in sales and marketing within the IT and telecommunication industry.
Directorship held in other listed entities during the three years prior to the current year:	None
Yong Hua Tay Non-executive Director & Member of Audit and Remuneration Committee	Appointed to the Board on 18 August 2003.
Qualifications and Experience:	Mr. Yong Hua Tay is the founder and managing director of a group of companies, whose parent company KLW Holdings Ltd is listed on the Singapore Exchange. The group's principal activity is the distribution of healthcare products throughout Singapore, Malaysia, Hong Kong and the Philippines. Mr. Tay was also a director of Inno-Pacific Holdings Ltd, a public company listed on the Singapore Exchange.
Directorship held in other listed entities during the three years prior to the current year:	KLW Holdings Ltd Inno-Pacific Holdings Ltd
David Yap Non-executive Director & Chairman of Audit and Remuneration Committee	Appointed to the Board on 25 May 2004.
Qualifications and Experience:	Mr. Yap is presently a Director of a Singapore-based company specialising in the distribution of corrugated paper pallets and other packaging material.
Directorship held in other listed entities during the three years prior to the current year:	None

DIRECTORS' REPORT

(Continued)

INFORMATION ON DIRECTORS *(Continued)*

Name and Qualification	**Experience & Qualifications**
Wei Li Non-executive Director	Appointed to the Board on 13 July 2005 Resigned 23 February 2010
Qualifications and Experience:	Mr. Wei Li was formerly the head of the Foreign Investment Committee of Shenyang, the provincial capital of Liaoning, China. In 1996 it established an office in Melbourne to facilitate economic links between Shenyang and Australia.
Directorship held in other listed entities during the three years prior to the current year:	None
King Chuen Chong Non-executive Director	Appointed to the Board on 27 August 2009
Qualifications and Experience:	Mr. Chong graduated with a Bachelor of Commerce from the University of Melbourne. He is a director of an IT and electronic company in Melbourne and has extensive experience in the IT industry. He is also actively involved in commercial and residential development in Australia.
Directorship held in other listed entities during the three years prior to the current year:	None
Maurice William Gerkens Non-executive Director	Appointed to the Board on 6 April 2010
Qualifications and Experience:	Mr. Gerkens graduated from Melbourne University with a Bachelor of Laws, was admitted as a Barrister and Solicitor of the Supreme Court of Victoria and High Court of Australia and as a legal Practitioner of the Supreme Court of New South Wales. He has previously held a public company directorship, various review and appeals tribunal positions and was formerly a Magistrate of the State of Victoria.
Directorship held in other listed entities during the three years prior to the current year:	None

INFORMATION ON COMPANY SECRETARY

Name and Qualification	Experience & Qualifications
Kenneth Glynn Company Secretary	Appointed to the Board on 10 June 2010
Qualifications and Experience:	Mr. Glynn is a Director of Corporate Advisory and Public Accounting Practice in Melbourne and has more than 30 years experience in public accounting and business process. He graduated from Monash University, and is a member of the Institute of Chartered Accountants and a Registered Company Auditor.
Kathleen Chai Company Secretary	Appointed to the Board on 27 May 2009 Resigned on 10 June 2010
Qualifications and Experience:	Ms Chai is a Chartered Accountant and operates a specialist practice providing tax and business advice. She is a member of the Australian Society of Certified Practicing Accountants and has a Bachelor of Economics degree from Monash University.
Phillip Hains Company Secretary	Appointed to the Board on 27 February 2006. Resigned on 27 May 2009.
Qualifications and Experience:	Mr Hains is a Chartered Accountant operating a specialist public practice, The CFO Solution, focused on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards of directors and related committees. He has over 21 years' experience in providing business with accounting, administration, compliance and general management services. He holds a Masters of Business Administration from RMIT and a Public Practice Certificate from the Institute of Chartered Accountants.

MEETINGS OF DIRECTORS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director. During the financial year, 1 meeting of Directors was held.

	Number eligible to attend	Number attended
Kim Wong	1	1
David Yap	1	1
Yong Hua Tay	1	1
Wei Li	-	-
King Chuen Chong	-	-
Maurice William Gerkens	-	-

DIRECTORS' REPORT

(Continued)

AUDIT AND REMUNERATION COMMITTEE

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director. During the financial year, 1 meeting was held.

	Meetings held	Meetings attended
David Yap (Chairman)	1	1
Yong Hua Tay	1	1

SUBSEQUENT EVENTS

(i) MTD, a wholly owned subsidiary of WinTech was placed under receivership following the appointment of Deloitte Touche Tohmatsu as Receiver and Manager of the business on 23 July 2009 by its financier due to a breach of contractual loan covenants. From this date the parent company Wintech Ltd lost control of MTD.

As a consequence of the loss of information that arose from Magnafield's liquidation, the Company's shares were suspended from official quotation on the ASX, pending the release of additional information and clarification concerning the Company's financial condition.

(ii) On 27 August 2009 WinTech issued a Convertible Loan of $200,000 to Kings International Enterprise Pty Ltd (Kings). The loan had a term of 6 months and an interest rate of 15% per annum.

As at the maturity date of 27 February 2010, the convertible note was rolled over with all the same terms for another 12 months, maturing 27 February 2011.

Upon maturity, if the loan converts to equity, Kings will be entitled to shares at $0.02 per share with 2 free options attached exercisable at $0.02 on or before 26 December 2011.

(iii) Mr. King Chuen Chong has been appointed to the Board of Directors with effect from 27 August 2009. Mr. Chong graduated with a Bachelor of Commerce from the University of Melbourne. He is a director of an IT and electronic company in Melbourne and has extensive experience in the IT industry. He is also actively involved in commercial and residential development in Australia.

(iv) In June 2010 the company was advised that proceedings against the company were instigated in the Supreme Court of Victoria by Securities and Investments Group Pty Ltd. These proceedings sought the appointment of an official liquidator to wind up the company due to the failure of the company to pay the total of the debt owing to Securities and Investments Group Pty Ltd.

In October 2009 the total of the debt owing, being $137,000 was paid to Securities and Investments Group Pty Ltd by the company from funds loaned to the company.

On 11 November 2009, Capital One Securities Pty Ltd, another creditor of the company, made an application to the Supreme Court of Victoria to be substituted as the plaintiff in the above proceedings. The amount of the debt claimed by Capital One Securities Pty Ltd was $200,000 which was paid in January 2010.

Both the amounts payable to Capital One Investments Pty Ltd and Securities and Investments Group Pty Ltd were accrued for as unsecured liabilities in these financial statements, as at 30 June 2009.

DIRECTORS' REPORT

(Continued)

Finally another claim was lodged with the company on 7 December 2009 by Tim Clark, a significant shareholder of the company, in respect of past services unpaid. The total of the claim was $722,144. Following several court adjournments, the matter was dismissed in court on 24 March 2010. The Directors are confident that there is no obligation remaining in-respect of this claim and no amount has been accrued for in these financial statements.

(v) On 26 November 2009 the company entered into a Memorandum of Understanding with a non-related Indonesian company, PT Pasir Walannae, to acquire an interest in a coal concession situated in South Sulawesi, Indonesia. As at the date of this report, legal due diligence on the new investment opportunity has not commenced. If the result of the due diligence is satisfactory, the Company will execute formal contractual documents to acquire 51% of the concession holder and will be required to pay a non-refundable deposit of $USD 100,000 to execute the purchase contract.

Following the execution of the purchase contract, the Company will have a three month period in which to conduct a detailed due diligence to establish the commercial viability of the concession. Should the Company then wish to continue, a further payment of $USD 900,000, along with an ongoing royalty agreement will be required to complete the purchase.

If this transaction is continued, a prospectus will be prepared to facilitate a further public fund raising. This will constitute a change of the Company's activities and as such the Company will need to comply with Chapters 1 and 2 of the ASX Listing Rules prior to being relisted.

(vi) On 26 November 2009 the Company secured two convertible loans of $200,000 each from non-related parties. The loans matured on 19 April 2010 with interest accruing at 15% per annum, compounded quarterly. The convertible notes included an option to convert the loans into ordinary shares at $0.01 per share, up to a maximum of 40,000,000 shares, subject to shareholder and regulatory approval.

As at the maturity date of 19 April 2010, the convertible note was rolled over with all the same terms for another 12 months, maturing 19 April 2011.

Upon maturity, if the loan converts into equity each share will have 1 free option attached, exercisable at $0.02 before 26 December 2011. The proceeds of the loans were used to extinguish existing debts.

(vii) On 23 February 2010 Mr. Wei Li resigned as a director of the company.

(viii) Mr. William Maurice Gerkens was appointed to the Board of Directors on 6 April 2010. Mr. Gerkens graduated from Melbourne University with a Bachelor of Laws, was admitted as a Barrister and Solicitor of the Supreme Court of Victoria and High Court of Australia and as a legal Practitioner of the Supreme Court of New South Wales. He has previously held a public company directorship, various reviews and appeals tribunal positions and was formerly a Magistrate of the State of Victoria.

(ix) On 5 March 2010, the company has negotiated $400,000 convertible loans with Beijing Allfine Technology Co. Ltd. The loans were made available to the company 14 days after 10 May 2010. Interest on the drawn down amounts will be 1.5% per calendar month or part there of commencing on each of the respective drawn down amounts. The loans can be converted into equity at any time by the lender giving notice to Wintech of that intention. The conversion rate will be 80% of VWAP for the 5 trading days prior to the conversion is being given. The company will issue the shares relating to the conversion within 45 days of the conversion request. In the event that the company fails to obtain shareholder approval or issue the shares as required within the time schedule, the company will increase the interest rate to 2.5% per calendar month and pay a fee of $25,000. As at the date of this report, the company had drawn down $200,000 from this loan facility.

INDEMNIFYING OFFICERS OR AUDITORS

The Company's directors and officers are indemnified by the Company against all losses or liabilities in respect of the discharge of their duties.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to the auditor of the company.

ENVIRONMENTAL REGULATION

The consolidated group's business operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a state or territory.

DIRECTORS' BENEFITS

Other than as set out in Note 20 to the financial statements and those disclosed in the attached remuneration report, no Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity, or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 24 and forms part of this directors' report.

NON-AUDIT SERVICES

For the financial year ended 30 June 2009, William Buck Audit (Vic) Pty Ltd, the company's auditor, has not performed any other services in addition to their statutory duties.

The board has considered the non-audit services to be provided by the auditor and is satisfied that the provision of those non-audit services is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services will be subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor.

- The non-audit services to be provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the company or jointly sharing risks and rewards.

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act* is included in the directors' report.

NON-AUDIT SERVICES *(Continued)*

Details of amounts paid to William Buck Audit (Vic) Pty Ltd for audit and non-audit services provided during the year are set out below.

	2009 $	2008 $
Audit services		
Audit and review of the financial report	**42,000**	28,000
Other services		
Due diligence service	-	14,000
Tax and compliance	-	12,525

REMUNERATION REPORT

Remuneration Policy

Remuneration levels for directors, secretaries, senior managers of the Company, and relevant group executives of the consolidated group ("the directors and senior executives") are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The remuneration committee obtains independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the directors and senior executives.
- the directors and senior executives ability to control the relevant segments' performance.
- the consolidated group's performance including:
    - the consolidated group's earnings.
    - the growth in share price and returns on shareholder wealth.
- the amount of incentives within each directors and senior executives remuneration.

REMUNERATION REPORT

(Continued)

Table of Benefits and Payments for the Year Ended 30 June 2009:

Key Management Personnel		Short-term Benefits Cash, salary and commissions	Post-employment Benefits	Share-based payments	Total
Non-executive Directors		**$**	**$**	**$**	**$**
Mr. Y H Tay	**2009**	**-**	**-**	**-**	**-**
	2008	25,000	-	20,000	45,000
Mr. D Yap	**2009**	**-**	**-**	**-**	**-**
	2008	25,000	-	80,000	105,000
Mr. W Li	**2009**	**-**	**-**	**-**	**-**
	2008	30,000	-	20,000	50,000
Executive Director					
Mr. K Wong	**2009**	**105,598**	**-**	**-**	**105,598**
	2008	73,000	-	300,000	373,000
Total all specified directors	**2009**	**105,598**	**-**	**-**	**105,598**
	2008	153,000	-	420,000	573,000
Company Secretary					
Phillip Hains	**2009**	**60,000**	**-**	**-**	**60,000**
	2008	60,000	-	100,000	160,000
Executive					
Mr. M Shea	**2009**	**40,548***	**-**	**-**	**40,548**
	2008	-	-	-	-
Total benefits and payments	**2009**	**206,146**	**-**	**-**	**206,146**
	2008	213,000	-	520,000	733,000

*Michael Shea entered into a consultancy agreement with MTD, which commenced on 15 October 2007 for a period of 3 years. Under the consultancy agreement, Mr. Shea provides services including general management advice and services in-relation to MTD's business of importing and distributing computers, computer components and accessories. Mr. Shea receives a monthly fee of $18,330 (including GST). In-addition to this contract, Mr. Shea was awarded 6 million share options at the Company's Annual General Meeting in November 2008. For further details of this, refer to the commentary on share options (below).

Aside from the details disclosed in this note, and the related party transactions described in note 20 to the financial statements, no director has entered into a material contract with the consolidated group since the end of the previous financial year and there were no material contracts involving directors' interests exist at year end.

REMUNERATION REPORT

(Continued)

Equity instruments

Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares and options of the company held directly, indirectly or beneficially by each specified key management personnel, including their personally related entities is as follows:

Fully Paid Ordinary Shares

Key Management Personnel	Balance 1 July 2008	Received as Compensation	Net Change Other**	Balance 30 June 2009
	No.	No.	No.	No.
Mr. K Wong	**1,653,179**	-	**234,482**	**1,887,661**
Mr. Y H Tay	**354,987**	-	**616,136**	**971,123**
Mr. D Yap	**400,000**	-	**(400,000)**	**-**
Mr. W Li	**100,000**	-	**100,000**	**200,000**
Mr. P Hains	**500,000**	-	**10,000**	**510,000**
Total	**3,008,166**	-	**560,618**	**3,568,784**

Fully Paid Ordinary Shares

Key Management Personnel	Balance 1 July 2007	Received as Compensation	Net Change Other**	Balance 30 June 2008
	No.	No.	No.	No.
Mr. K Wong	153,179	1,500,000	-	1,653,179
Mr. Y H Tay	254,987	100,000	-	354,987
Mr. D Yap	-	400,000	-	400,000
Mr. W Li	-	100,000	-	100,000
Mr. P Hains	-	500,000	-	500,000
Total	408,166	2,600,000	-	3,008,166

**Net Change Other refers to shares purchased or sold during the financial year.

Unlisted Options

Key Management Personnel	Balance 1 July 2008	Received as Compensation	Options Exercised	Balance 30 June 2009
	No.	No.	No.	No.
Mr. K Wong	**599,970**	-	-	**599,970**
Mr. Y H Tay	**149,992**	-	-	**149,992**
Mr. D Yap	**299,984**	-	-	**299,984**
Mr. W Li	**149,992**	-	-	**149,992**
Mr. M Shea	**-**	**6,000,000**	-	**6,000,000**
	1,199,938	**6,000,000**	-	**7,199,938**

	Balance 1 July 2007	Received as Compensation	Options Exercised	Balance 30 June 2008
	No.	No.	No.	No.
Mr. K Wong	599,970	-	-	599,970
Mr. Y H Tay	149,992	-	-	149,992
Mr. D Yap	299,984	-	-	299,984
Mr. W Li	149,992	-	-	149,992
	1,199,938	-	-	1,199,938

REMUNERATION REPORT
(Continued)

SHARE OPTIONS

At this date of this report, the unissued ordinary shares of Wintech Group Limited under option are as follows:-

Grant Date and Issue Date	Date of Expiry	Exercise Price	Number Under Option
30 November 2006	30 November 2009	$0.20	599,969
30 November 2006	30 November 2009	$0.27	599,969
27 November 2008	31 December 2011	$0.25	6,000,000

During the financial year 6,000,000 options were issued to Michael Shea, a consultant providing general management advice and services to Magnafield Technology Distribution Pty Ltd. The purpose of the options issued to Mr. Shea was to align his interests with those of the shareholders. The options were awarded to Mr. Shea and ratified at the Annual General Meeting held in November 2008 (which is their grant date) with an exercise price of $0.25, exercisable until 31 December 2011. There were no vesting conditions attached to the options.

No consideration was received for the options and as the options were issued when the company was not trading, and with no other reliable market data indicating at grant date that the company would list and the share price exceed the strike price, the Directors assessed the options to have a $nil fair value at their grant date of 28 November 2008.

No other options were granted, forfeited or exercised during the financial year. As at 30 June 2009 the share options discussed above were the only share options on issue in respect of share-based payments.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:

Kim Wong
Executive Director

Dated in Melbourne, Australia on this 15th day of June 2010

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2009.

The Directors and management are committed to protecting and enhancing shareholder value and conducting the company's business ethically and in accordance with the highest standards of corporate governance.

In line with these recommendations and in the spirit of good disclosure the Board reports on the company's compliance with each 'best practice' recommendation.

The company has not developed a website however general information in regard to corporate governance policies and practices are available on request by email, facsimile or post.

The Role of the Board

The Board is responsible to its shareholders for the overall governance and performance of the company.

The primary responsibilities of the Board include:

- setting of objectives, goals and corporate direction;
- adopting and monitoring progress of a strategic plan;
- adopting an annual budget and constant monitoring of financial performance;
- ensuring adequate internal financial, accounting and managerial controls exist and are appropriately monitored for compliance;
- developing, publishing, reviewing, implementing and monitoring corporate governance policy, the committee system, the company's constitution, codes of conduct, corporate management and legislative compliance.
- ensuring significant business risks are identified and appropriately managed with particular emphasis on insurance requirements;
- ensuring the company maintains, at all times, the highest standard of business, financial and ethical behaviour;
- selecting and recommending new Directors, including the Managing Director, to shareholders;
- setting compensation arrangements for executive Directors and executive management after receiving recommendations from the Audit and Remuneration Committee;
- addressing occupational health and safety issues and ensuring an appropriate system of management is implemented;
- reporting to shareholders and ensuring that all regulatory requirements are met; and
- approving decisions concerning the capital of the company, including capital restructures and significant changes to major financing arrangements.

Role of management

The Chief Executive Officer (CEO) is responsible for the overall management and profit performance of the company. The CEO manages the organisation in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.

Board composition and size

The Directors determine the size of the board, with reference to the Constitution, which provides that there will be a minimum of 3 directors and a maximum of 7 directors.

The Board carries out its responsibilities according to the following mandate:

- the Board should be made up of a majority of Independent Directors;
- the Chairman of the Board, where possible, should be an Independent Director;
- the roles of Chairman and Managing Director, where possible, should not be exercised by the same person;
- the Board should meet on a regular basis; and
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each Director prior to that meeting.

On the day on which the Directors' report is made out, the Board consisted of five Independent Directors and one Executive Director. Due to the size of the company, Mr. Kim Wong is the company's Chairman and Chief Executive Officer. While recognising that the ASX Corporate Governance Council recommends that these roles be exercised by different individuals and that the Chair should be an independent director, the Company feels that the strong independence exercised by other Board members mitigates any negative impact on the Company that it may have. Details of the directors are set out in the Directors' Report.

Appointment of directors

The Board is responsible for establishing criteria for Board membership, reviewing Board membership and identifying and nominating Directors. Board membership shall be reviewed annually to ensure the Board has an appropriate mix of qualification, skills and experience. External professional advisers may be used to assist in this process and shall be engaged at the expense of the Company.

Members appointed by the Board must stand for election at the next general meeting of shareholders.

The terms and conditions of appointment and retirement for Independent Directors are set out in a letter of appointment from the Chairman of the Board which shall include:

- the term of the appointment;
- the determination of remuneration;
- the expectation of the Company in relation to attendance at, and preparation for, Board meetings;
- the Code of Conduct for Directors;
- the Corporate Governance Policy Statement; and
- the Company's Constitution.

Director independence

It is important that the Board operates independently of executive management. Each of the following non-executive directors are considered by the board to be independent of management. This means that they do not have any business interest or other relationship that could materially interfere with the exercise of their independent judgment and their ability to act in the best interests of the company.

- Mr Y H Tay
- Mr D Yap
- Mr W Li
- Mr K C Chong
- Mr M W Gerkens

CORPORATE GOVERNANCE STATEMENT

(Continued)

Chairman's appointment and responsibilities

The Chairman is appointed by the Board from the non-executive directors. The Chairman:

- provides appropriate leadership to the Board.
- ensures membership of the Board is balanced and appropriate for the company's needs.
- facilitates Board discussions to ensure the core issues facing the organisation are addressed.
- maintains a regular dialogue and mentor relationship with the CEO.
- monitors Board performance, and
- guides and promotes the on-going effectiveness and development of the Board and individual directors.

Conduct of board business

The Board normally holds 5 formal Board meetings each year and will also meet whenever necessary to carry out its responsibilities.

When conducting Board business, directors have a duty to question, request information, raise any issue of concern, and fully canvas all aspects of any issue confronting the company and vote on any resolution according to their own judgment.

Directors keep confidential Board discussions, deliberations and decisions that are not publicly known.

Conflicts of interest

Directors are required to continually monitor and disclose any potential conflicts of interest that may arise. Directors must:

- disclose to the Board any actual or potential conflicts of interest that may exist as soon as the situation arises.
- take necessary and reasonable steps to resolve any conflict of interest within an appropriate period, if required by the Board or deemed appropriate by that director, and
- comply with the *Corporations Act* requirements about disclosing interests and restrictions on voting.

Directors should discuss with the chairman any proposed board or executive appointments they are considering undertaking and should advise the Board of appointments to other companies as soon as possible after the appointment is made.

The same requirement exists for related party transactions including financial transactions with the company. Related party transactions are reported in writing to the Board of Executive and the Company Secretary and, where appropriate, raised for consideration at the next board meeting.

Access to information

Directors are encouraged to access members of the senior management team at any time to request relevant information in accordance with protocols adopted by the Board.

Where directors perceive an irregularity in a company related matter, they are entitled to seek independent advice at the company's expense.

Directors must ensure that the costs are reasonable and must inform the Chairman before the advice is sought. The advice must be made available to the rest of the Board.

CORPORATE GOVERNANCE STATEMENT

(Continued)

Independent Professional Advice

Each director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings in order to fulfil their duties and responsibilities as directors.

CEO and CFO assurance

The Board receives regular reports about the financial condition and operational results of the company. The CEO periodically provides formal statements to the Board that in all material aspects the company's financial statements present a true and fair view of the company's financial condition and operational results. These financial statements have been provided such assurance.

Committees

The Board has established sub-committees to consider certain issues and functions in further detail. The Chairman of each committee reports on any matters of substance at the next full board meeting. All committee minutes are provided to the board.

There is currently one standing committee being the Audit and Remuneration Committee. Other committees are formed from time to time, as required.

Each committee has its own terms of reference, approved by the Board and reviewed annually, with additional review when appropriate. The Chairman oversees all committees and the CEO attends committee meetings where appropriate.

Board performance assessment

On an annual basis, the Chairman facilitates a discussion and evaluation of the Board and each Board Committee's performance. This includes discussions about the Board's role, processes, performance and other relevant issues.

Each director's performance is reviewed by the Chairman and Board prior to the director standing for re-election.

The performance of each committee is also reviewed.

CORPORATE GOVERNANCE STATEMENT

(Continued)

Adequacy of contribution

If the contribution of a non-executive director appears to a majority of directors (including the CEO) to be less than adequate or to be harmful to the good working of the Board, they may request the Chairman to inform that director accordingly and ask that person to consider his or her position on the Board. If the director takes no action in response, a circulated minute signed by a majority of directors will authorise the Company Secretary to inform the shareholders that the Board will not support the re-election of the director at the general meeting where they are next due to offer themselves for re-election.

Current age limits for non-executive directors are governed by the *Corporations Act 2001*, which states that a person may act as a director of a public company after turning age 72 up until the conclusion of the AGM that next follows the 72nd birthday. Beyond that date, a person who has turned age 72 may be appointed or re-appointed as a director by a special resolution.

Audit and Remuneration Committee

The Board has established an Audit and Remuneration Committee consisting of the following Independent Directors:

- **David Yap (Chairman)**
- **Yong Hua Tay**

In addition to the independent directors listed above, the company secretary **Kenneth Glynn** is a member of the Audit and Remuneration Committee.

Audit and Remuneration Committee *(Continued)*

The Committee assists the Board to discharge its corporate governance responsibilities, in regard to the:

- business' relationship with, and the independence of, the external auditor.
- recommends appointment of external auditor and fees.
- reliability and appropriateness of disclosure of the financial statements and external related financial communication.
- compliance with statutory responsibilities.
- reviews budgets and accounting policy.
- reviews all salary practices, management incentive schemes, superannuation, share option scheme, retirement and termination entitlements.
- maintenance of an effective framework of business risk management including compliance and internal controls and monitoring of the internal audit function.
- adequacy of the company's insurance programme, including directors' and officers' professional indemnity and other liability insurance cover, and
- undertakes any special investigations required by the Board.

The Committee provides a forum for the effective communication between the Board and external auditors. The Committee reviews:

- The annual and half-year financial report prior to their approval by the Board;
- The effectiveness of management information systems and systems of internal control; and
- The efficiency and effectiveness of external audit functions, including reviewing the respective audit plans.

The Committee generally invites the CEO, CFO, and the external auditors to attend Committee meetings. The Committee also meets with and receives regular reports from the external auditors concerning any matters, which arise in connection with the performance of their respective roles, including the adequacy of internal controls.

The Committee reviews the remuneration packages of all directors and executive officers on an annual basis and makes recommendations to the Board.

Remuneration packages are reviewed with due regard to performance and other relevant factors.

In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the company's operations, the remuneration committee seeks the advice of external advisers in connection with the structure of remuneration packages.

Remuneration packages contain the following key elements:

- Salary/fees; and
- Benefits – including the provision of motor vehicle, superannuation.

Auditor independence

Best practice in financial and audit governance is evolving rapidly and the independence of the external auditor is particularly important to shareholders and the Board. To ensure that the company's practices are up to date, the Board has adopted a formal Audit Charter that is reviewed regularly to keep it in line with emerging practices domestically and internationally.

The key points covered by the Charter include:

- rotation of the senior audit partner every five years.
- annual confirmation by the auditor that it has satisfied all professional regulations relating to auditor independence.
- half yearly reporting on the levels of audit and non-audit fees; and
- specific exclusion of the audit firm from work which may give rise to a conflict.

Risk Management

The Board is responsible for ensuring appropriate measures are in place in order to manage risk in line with the company's risk strategy.

The company has a risk management programme that enables the business to identify and assess risks, respond appropriately and monitor risks and controls. Risk and compliance information is reported quarterly to the Audit and Remuneration Committee.

Specific oversight and evaluation of the effectiveness of the risk management and internal control environment are delegated to the Audit and Remuneration Committee. The committee approves the company's accounting policies, oversees management controls, reporting practices and production of financial statements. It considers internal and external audit reports and reviews the adequacy of the company's internal procedures and controls in order to monitor financial risks and major operational risks.

The company is exposed to the risk of unexpected financial and reputation loss from the way it conducts its business operations. To mitigate this risk, the company has established a risk and assurance framework, which aims to:

- assist management to discharge its corporate and legal responsibilities; and
- assure management and the Board that the framework is effective.

Compliance

The Board is responsible for ensuring that adequate measures are undertaken to manage compliance. Specific responsibility for compliance has been delegated to the Audit and Remuneration Committee. To ensure proper compliance, an improved system of compliance management has been, and continues to be, implemented across the company's businesses covering a broad range of legal requirements, duties and responsibilities. The results are reported quarterly to the Audit and Remuneration Committee.

CORPORATE GOVERNANCE STATEMENT

(Continued)

Code of Conduct

As part of the Board's commitment to the highest standard of personal and corporate behaviour, the company adopts a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- Responsibilities to shareholders;
- Compliance with laws and regulations;
- Relations with customers and suppliers;
- Ethical responsibilities;
- Employment practices; and
- Responsibilities to the environment and the community.

Share trading policy

The company's Employee Share Trading Policy aims to:

- protect stakeholders' interests at all times.
- ensure that directors and employees do not use any information they possess for their personal advantage, or to their clients' or the company's detriment, and
- ensure that directors and employees comply with insider trading legislation of the various jurisdictions in which transactions may take place.

Supplementary to the 'inside information' rule, trading in the company's securities by the directors is restricted to the following trading windows:

- 30 day period beginning on the second day after the release of the company's half-year results or yearly results
- 30 day period beginning on the second day after the company's Annual General Meeting; and
- period commencing on the day after the issue of a prospectus offering the company's securities (or a document containing equivalent information) and ending on the day the offer closes.

Purchase or sale of company's shares and/or options over such shares by Directors, Executives and Staff of the company should only occur in circumstances where the market is considered to be fully informed of the company's activities. This policy requires that the relevant person notify the Company Secretary of their intention to trade in the company's shares and/or options over such shares prior to transaction and that the Company Secretary be required to discuss the proposed trading intentions with either the Chairman of the Managing Director. The Board recognises that it is the individual responsibility of each director to carry this policy through.

Breaches of this policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

Communication with shareholders

The company is committed to increasing the transparency and quality of its communication to be regarded by our shareholders as an outstanding corporate citizen. The Board's approach to communication with shareholders and financial markets is set out in the Company's Market Disclosure Policy.

Information is communicated to shareholders through the distribution of the Annual Report and other communications as required. All significant information will be disclosed to the ASX.

The guiding principle of the policy is that the company must immediately notify the market via an announcement to the ASX of any information concerning the company that a reasonable person would expect to have a material effect on the price of value of the company's securities.

The Market Disclosure Policy must ensure that the company announcements:

- are made in a timely manner;
- are factual;
- are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions; and
- do not omit material information.

Annual General Meeting (AGM)

All shareholders are encouraged to attend and/or participate in the company's AGM. All directors and senior management attend the meeting, along with the external auditor.

Full details of the next AGM are included in the mailing for this Annual Report.

William Buck

15 June 2010

The Board of Directors
WinTech Group Limited
Level 9, 552 Lonsdale Street
MELBOURNE VIC 3000

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION
IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WINTECH GROUP LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of WinTech Group Limited.

As lead audit partner for the audit of the financial report of WinTech Group Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Jeffrey Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

Dated in Melbourne, Australia on this 15th day of June 2010

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
Other income	3	**130**	-	**130**	-
Total revenue		**130**	-	**130**	-
Administrative expenses		**(754,178)**	(239,384)	**(176,693)**	(239,384)
Corporate expenses		**(1,388,663)**	(395,454)	**(1,388,663)**	(827,979)
Employee costs		**(234,894)**	(78,640)	**(105,598)**	(78,640)
Finance costs		**(156,894)**	(19,181)	**(89,300)**	(19,181)
Impairment charges	4	**(2,397,709)**	(130,000)	**(3,049,876)**	-
Occupancy expenses		**(106,717)**	(60,000)	**(75,600)**	(60,000)
Loss before income tax expense		**(5,038,925)**	(922,659)	**(4,885,600)**	(1,225,184)
Income tax expense	5	**-**	-	**-**	-
Loss attributable to members of the parent entity		**(5,038,925)**	(922,659)	**(4,885,600)**	(1,225,184)

Earnings per share

Overall Operations

	Note	2009	2008
Basic loss per share	17	**($0.16)**	($0.04)
Diluted loss per share	17	**($0.16)**	($0.04)

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
CURRENT ASSETS					
Cash and cash equivalents	19(a)	**16,750**	6,072	**-**	6,072
Trade and other receivables	7	**6,723,735**	19,802	**100,000**	19,802
Inventory		**29,790**	-	**-**	-
Total current assets		**6,770,275**	25,874	**100,000**	25,874
NON CURRENT ASSETS					
Trade and other receivables	7	**-**	298,750	**-**	298,750
Financial assets	8	**-**	300,000	**-**	300,000
Plant and Equipment		**161,412**	-	**-**	-
Total non current assets		**161,412**	598,750	**-**	598,750
Total assets		**6,931,687**	624,624	**100,000**	624,624
CURRENT LIABILITIES					
Bank overdraft	19(a)	**60,927**	-	**60,927**	-
Trade and other payables	9	**1,989,638**	502,068	**793,674**	502,068
Short-term borrowings	10	**5,774,701**	150,000	**89,081**	150,000
Provisions	11	**103,428**	-	**-**	-
Total current liabilities		**7,928,694**	652,068	**943,682**	652,068
NON CURRENT LIABILITIES					
Long-term borrowings	10	**-**	342,635	**-**	342,635
Total non current liabilities		**-**	342,635	**-**	342,635
Total liabilities		**7,928,694**	994,703	**943,682**	994,703
NET DEFICIENCY		**(997,007)**	(370,079)	**(843,682)**	(370,079)
EQUITY					
Contributed equity	12	**77,305,875**	72,893,878	**77,305,875**	72,893,878
Reserves	13	**227,481**	227,481	**-**	-
Accumulated losses		**(78,530,363)**	(73,491,438)	**(78,149,557)**	(73,263,957)
TOTAL EQUITY		**(997,007)**	(370,079)	**(843,682)**	(370,079)

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Consolidated Group

	Ordinary Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2007	71,858,878	302,966	(72,568,779)	(406,935)
Loss attributable to members of parent entity	-	-	(922,659)	(922,659)
Shares issued during the year	1,035,000	-	-	1,035,000
Adjustments from translation of foreign controlled entities	-	(75,485)	-	(75,485)
Balance at 30 June 2008	72,893,878	227,481	(73,491,438)	(370,079)
Loss attributable to members of parent entity	-	-	(5,038,925)	(5,038,925)
Shares issued during the year	5,610,866	-	-	5,610,866
Cost of capital raising	(1,198,869)	-	-	(1,198,869)
Balance at 30 June 2009	**77,305,875**	**227,481**	**(78,530,363)**	**(997,007)**

Parent Entity

	Ordinary Share Capital	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2007	71,858,878	-	(72,038,773)	(179,895)
Loss attributable to members of parent entity	-	-	(1,225,184)	(1,225,184)
Shares issued during the year	1,035,000	-	-	1,035,000
Balance at 30 June 2008	**72,893,878**	-	**(73,263,957)**	**(370,079)**
Loss attributable to members of parent entity	-	-	(4,885,600)	(4,885,600)
Shares issued during the year	5,610,866	-	-	5,610,866
Cost of capital raising	(1,198,869)	-	-	(1,198,869)
Balance at 30 June 2009	**77,305,875**	-	**(78,149,557)**	**(843,682)**

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
CASH FLOWS FROM OPERATING ACTIVITIES		**$**	$	**$**	$
Interest income received		**130**	-	**130**	-
Payments to suppliers and employees		**(1,862,560)**	(350,535)	**(1,105,746)**	(426,019)
Interest and costs of finance paid		**(156,894)**	(19,181)	**(89,300)**	(19,181)
Net cash (used in)/provided by operating activities	19(b)	**(2,019,324)**	(369,716)	**(1,194,916)**	(445,200)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash outflows on acquisition of MTD		**(152,457)**	-	-	-
Net cash (used in)/provided by investing activities		**(152,457)**	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	12(a)	**2,530,890**	-	**2,530,890**	-
Payments for capital raising costs		**(448,869)**	-	**(448,869)**	-
Proceeds from borrowings		**2,075,816**	757,634	**89,081**	757,634
Repayment of borrowings		**(2,036,305)**	(385,000)	**(1,043,185)**	(385,000)
Net cash (used in)/provided by financing activities		**2,121,532**	372,634	**1,127,917**	372,634
Net (decrease)/increase in cash held		**(50,249)**	2,918	**(66,999)**	(72,566)
Effect of foreign exchange rate on cash holding in foreign currencies		**-**	(75,484)	**-**	-
Cash at the beginning of the financial year		**6,072**	78,638	**6,072**	78,638
Cash at the end of the financial year	19(a)	**(44,177)**	6,072	**(60,927)**	6,072

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of WinTech Group Limited and controlled entities (the "Group"), and separate financial statements and notes of WinTech Group Limited as individual parent entity.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of this financial report are presented below. The accounting policies have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

(b) Going concern

The financial statements have been prepared on a going concern basis notwithstanding that for the year then ended 30 June 2009 the consolidated group incurred an operating loss of $5,038,925 (2008: $922,659) and liabilities exceeded assets by $997,007 (2008: $370,079).

As discussed in note 18, the Company's principal subsidiary, MTD, is currently in Receivership.

The liquidation process of MTD, including the identification and settlement with outstanding creditors has not been completed. The parent and subsidiary relationship between WinTech and MTD specifically excluded a deed of cross guarantee. As such, the Directors believe that any claims or obligations arising from the liquidation of MTD will not affect the parent Company.

For the parent Company, total liabilities at 30 June 2009 totalled $943,682. As discussed in Note 18, the Company has been able to raise $600,000 in convertible notes in order to pay down these liabilities and together with a drawdown facility it negotiated in March 2010 for a further $400,000. In addition, the Directors of the Company expect to raise additional capital through further issues of equity, options and convertible notes in order to justify its position as a going concern.

In the unlikely event that the events referred to above result in a negative outcome, then the going concern basis of accounting may not be appropriate with the result that the company and controlled entities may have to realize its assets and extinguish its liabilities other than in the normal course of business and in amounts different to that as stated within the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Company or controlled entities not be able to continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Principles of Consolidation

A controlled entity is any entity WinTech Group Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered or left the consolidated group during the year, their operating results have been included / excluded from the date control was obtained or until the date control ceased.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the equity section of consolidated Balance Sheet and in the consolidated Income Statement.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business considerations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that the control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with cost directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit and loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable to taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of deferred tax assets can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set off exists, the deferred assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. Where specifically stated the recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. Otherwise, the expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Consolidated Group commencing from the date of acquisition or, in respect of internally constructed assets, from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are as follows:

■ Plant and equipment	10 – 40%
■ Leased plant and equipment	10 – 40%

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(e) Property, Plant and Equipment *(Continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Foreign currency transactions and balances

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

Translation of controlled foreign entities

The assets and liabilities of overseas controlled entities that are self-sustaining foreign operations are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

(i) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Sales revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of services to entities outside the consolidated group. Sales revenue is recognised when the services are provided.

Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Provisions

Provisions are recognised when the group has a legal or constructive obligation as a result of past events, for which it is probable that a future sacrifice of economic benefits will result and that outflow can be reliably measured.

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown separately on the balance sheet.

(m) Employee Benefits

Provision is made for the company's liability for the employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Equity-settled compensation

The group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares, classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

(o) Interest Bearing Liabilities

Notes payable are recognised when issued at the net proceeds received, with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

(p) Financial Instruments

Recognition

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Financial Instruments *(Continued)*

Classification and subsequent measurement

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Financial Instruments *(continued)*

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

Convertible notes

Where the financial instruments are redeemable but either the holder or the Company has an option to convert them into ordinary shares of the company, they are classified as compound instruments and disclosed as convertible notes. The liability component is measured as the present value of the principal and interest obligations, discounted at the prevailing market rate for a similar liability that does not have an equity component. The residual of the net proceeds received on issuing the instrument is classified as equity.

Interest expense on compound instruments is determined based on the liability component and includes the actual interest paid to holders. The liability accretes over the life of the instruments to the original face value if they are not previously converted. There are no dividends associated with the equity component.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided to adopt these standards with the exception of the following:

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10:Further Amendments to Australian Accounting Standards arising from 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group.

2. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into financial reports based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment
The group assesses impairment at each reporting date by evaluating conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

During the financial year, the directors assessed the recoverable amount of goodwill and determined that the goodwill associated with the acquisition of MTD was impaired by $2,397,709. The assessment of the impairment of the goodwill was based upon the fair value assessments of the tangible and intangible net assets and liabilities in MTD. The fair values for all significant assets and liabilities were based upon the principles for recognising financial instruments described in Note 1 above. In completing the acquisition of MTD, the Directors have concluded that the MTD business does not have any significant intangible assets with values that exceed either their selling values or values-in-use in the balance sheet. Accordingly all goodwill that arose from the purchase acquisition was written down to zero. For details of the assessment of fair values at acquisition date refer to Note 15.

The assessment above on the Consolidated Group was also applied to the parent entity investment impairment charge. For details of the parent entity write-down, refer to note 8.

3. REVENUE AND OTHER INCOME

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Interest Income	**130**	-	**130**	-
	130	-	**130**	-

4. LOSS FOR THE YEAR

	Consolidated Group		Parent Entity	
Impairment charges				
- Goodwill	**(2,397,709)**	-	**-**	-
- Financial assets	**-**	-	**(1,169,900)**	-
- Investments	**-**	(130,000)	**(1,879,976)**	-
	(2,397,709)	(130,000)	**(3,049,876)**	-

5. INCOME TAX EXPENSE

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	$	$
(a) The components of tax expense comprise:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on loss from ordinary activities before income tax at 30% (2008: 30%)	**(3,596,320)**	(276,798)	**(1,465,680)**	(367,556)
Tax effect of permanent differences				
- Non-deductible asset impairment charges	**2,803,955**	39,000	**914,963**	-
Future income tax benefit not brought to account as not assured beyond reasonable doubt	**792,365**	237,798	**550,717**	367,556
Income tax expense attributable to loss from ordinary activities	-	-	-	-

At 30 June 2009, the consolidated group reviewed the quantum of its unconfirmed carry forward tax losses and as at that date there were unconfirmed carry forward tax losses of $2,112,530 (2008: $1,320,165) available to offset against future years' taxable income. The benefit of these losses has not been recognised as an asset in accordance with consolidated group policy. Future income tax benefits relating to timing differences between the recognition of certain income and expense items for accounting and tax purposes have only been recognised where the following criteria is met:

- the ability of the company or controlled entity to derive sufficient future assessable income to enable the benefits to be realised;
- conditions of deductibility imposed by the laws being complied with; and
- there being no change in the law, which will adversely affect the realisation of the benefit.

6. REMUNERATION OF AUDITOR

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Audit and review of the financial report	**42,000**	28,000	**42,000**	28,000
Due diligence services	-	14,000	-	14,000
Tax and compliance	-	12,525	-	12,525
	42,000	54,525	**42,000**	54,525

7. TRADE & OTHER RECEIVABLES

	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
Current				
Trade receivables	**6,358,278**	-	-	-
Accumulated impairment charges	**(179,248)**	-	-	-
	6,179,030	-	-	
Loans to related parties	**116,561**	-	**100,000**	-
Other unsecured loans	**428,144**	19,802	-	19,802
Total current receivables	**6,723,735**	19,802	**100,000**	19,802
Non-current				
Loans to MTD	-	298,750	-	298,750
Total non-current receivables	-	298,750	-	298,750

8. FINANCIAL ASSETS

	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
Non-current				
Investments in other entities:				
- Investment in Circlecom International Limited (unlisted at cost)	-	130,000	**130,000**	130,000
- Investment in MTD Pty Ltd (unlisted at cost)	-	300,000	**1,879,976**	300,000
	-	430,000	**2,009,976**	430,000
Accumulated impairment charges	-	(130,000)	**(2,009,976)**	(130,000)
Total Financial Assets	-	300,000	-	300,000

For the year ended 30 June 2008 Wintech held a 30% interest in Magnafield Technology Distribution Pty Ltd ("MTD"). As Wintech Group Ltd is a venture capital organisation, and the unquoted equity investment could not be reliably valued, the it was accounted for as a financial asset and held at cost less any cumulative impairment charges.

For the year ended 30 June 2009 the Directors assessed the fair values of the investment in MTD Pty Ltd to be $nil. Their assessment was based upon the fair values of MTD's net tangible and intangible assets, which were in a net deficiency position as at 30 June 2009. Accordingly, an impairment charge was raised for the total investment in MTD, collectively $1,879,976. For details of the movements in the investment cost balance refer to note 15.

9. TRADE & OTHER PAYABLES

	Consolidated Group 2009	Consolidated Group 2008	Parent Entity 2009	Parent Entity 2008
Trade payables and accruals	**1,989,638**	502,068	**793,674**	502,068

	Note	Consolidated Group		Parent entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
10. BORROWINGS					
CURRENT					
Loans – related entities (unsecured)		**737,185**	-	**89,081**	-
Convertible notes –related entities (unsecured)	(i)	**-**	150,000	**-**	150,000
Debtor finance facility (secured)	(ii)	**3,989,594**	-	**-**	-
SAP loan (unsecured)		**50,739**	-	**-**	-
Trade finance loan (secured)	(iii)	**997,183**	-	**-**	-
		5,774,701	150,000	**89,081**	150,000
NON-CURRENT					
Loans –related entities (unsecured)		**-**	342,635	**-**	342,635
		-	342,635	**-**	342,635

(i) In April 2006, the company issued unsecured convertible notes for an amount of $150,000 in total. The loans matured and converted into 750,000 shares at $0.20 per shares on 27 March 2009.

(ii) The debtor finance bank facility is held by MTD. It has an agreed limit of $4,000,000, a current facility fee comprising the market interest rate of 8.74% and margin rate of 1.75%. Security is held for this facility in the form of a first registered mortgage debenture charge over the company's assets and a personal guarantee. The purpose of this facility is to access further working capital in proportion to the trade receivables of the company.

(iii) The trade finance facility held by MTD is in the form of a Line of Credit provided by the Financial Institution to the business. No assets are pledged or held as security.

11. PROVISIONS

	Consolidated Group 2009	Consolidated Group 2008	Parent entity 2009	Parent entity 2008
Employee benefits	**103,428**	-	-	-
	103,428	-	-	-

12. CONTRIBUTED EQUITY

	Consolidated Group		Parent entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Issued Capital				
51,489,191 (2008: 23,434,860) fully paid ordinary shares	**77,305,875**	72,893,878	**77,305,875**	72,893,878

(a) Ordinary shares

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent entity 2009 $	Parent entity 2008 $
Movements in ordinary shares				
Balance at the beginning of the year:	**72,893,878**	71,858,878	**72,893,878**	71,858,878
2,575,000 shares issued for loan settlements and working capital at $0.20 per share	-	515,000	-	515,000
2,600,000 shares issued for share-based remuneration and payments at $0.20 per share	-	520,000	-	520,000
12,654,451 shares issued to raise working capital at $0.20 per share	**2,530,890**	-	**2,530,890**	-
3,000,000 shares issued to extinguish debts owing to creditors and financiers at $0.20 per share	**600,000**	-	**600,000**	-
750,000 shares issued to settle convertible notes at $0.20 per share	**150,000**	-	**150,000**	-
7,899,880 shares issued as part of the consideration of the acquisition of MTD at $0.20 per share	**1,579,976**	-	**1,579,976**	-
3,750,000 shares issued to finance capital raising costs at $0.20 per share	**750,000**	-	**750,000**	-
Cost of capital raising	**(1,198,869)**	-	**(1,198,869)**	-
	77,305,875	72,893,878	**77,305,875**	72,893,878

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(b) Share-based Payment

During the financial year 6,000,000 options were issued to Michael Shea, a consultant providing general management advice and services to Magnafield Technology Distribution Pty Ltd. The purpose of the options issued to Mr. Shea was to align his interests with those of WinTech's shareholders. The options were awarded to Mr. Shea and ratified at the Annual General Meeting held in November 2008 (which is their grant date) with an exercise price of $0.25, exercisable until 31 December 2011. There were no vesting conditions attached to the options.

No consideration was received for the options and as the options were issued when the company was not trading, and with no other reliable market data indicating at grant date that the company would list and the share price exceed the strike price, the Directors assessed the options to have a $nil fair value at their grant date of 28 November 2008.

12. CONTRIBUTED EQUITY (continued)

No other options were granted, forfeited or exercised during the year. As at 30 June 2009 the share options discussed above were the only share options on issue in respect of share-based payments.

(c) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

During the financial year, the group has made significant losses from its operations. Management intends to raise more capital and to seek more finance options from various parties in order to keep the company afloat.

13. RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of its foreign controlled operation in Samoa.

14. CONTINGENT LIABILITIES AND COMMITMENTS

(i) MTD, a wholly owned subsidiary of WinTech, was placed into receivership on 23 July 2009. WinTech has not provided a cross-guarantee of financial support to MTD, however, due to the uncertainty regarding the receivership of MTD; it is possible that obligations to employees, suppliers, financiers and other external parties may arise in the course of the receivership in respect of conditions that existed at 30 June 2009.

15. CONTROLLED ENTITIES

	Note	% owned in ordinary shares	
Name		**2009**	2008
WinTech Group Limited	(i)		
Controlled entities			
Magnafield Technology Distribution Pty Ltd	(i)	100%	30%
Circlecom International Limited	(ii)	100%	100%

Name

(i) Incorporated in Australia
(ii) Incorporated in Western Samoa

15. CONTROLLED ENTITIES *(Continued)*

(a) Acquisition of Controlled Entity

The parent entity acquired 100% (including 100% of voting rights) of MTD on 17 April 2009. MTD is an importer, wholesaler and distributor of telecommunications products and equipment, computer components and accessories. Details of the acquisition are as follows:

	2009 $
Consideration paid	
The purchase consideration consisted of	
- Original 30% investment paid	300,000
- Shares in Wintech Group Ltd (7,899,880 ordinary shares issued at $0.20 per share)	1,579,976
Total purchase consideration	1,879,976
Net assets/(liabilities) acquired	
Fair values and carrying amounts of assets and liabilities at acquisition date:	
- Trade and other receivables	7,838,575
- Inventory	724,922
- Plant and equipment	132,380
- Bank overdraft assumed on acquisition	(152,460)
- Trade and other payables	(1,105,280)
- Borrowings	(7,955,870)
	(517,733)
Goodwill on acquisition	2,397,709

The loss resulting from the operation of MTD for the period of 17 April to 30 June 2009 of $805,492 is included in the consolidated income statement for the year ended 30 June 2009. Had MTD been consolidated from 1 July 2008, the Group would have recognised a loss of $3,793,035 for the year ended 30 June 2009.

16. STATEMENT OF OPERATIONS BY SEGMENT

The economic entity operates solely as a holder of investments in the telecommunications and IT industry in Australia.

17. EARNINGS PER SHARE

	Consolidated Group 2009 $	 2008 $
Earnings reconciliation		
Net loss	(5,038,925)	(922,659)
Basic and diluted earnings	(5,038,925)	(922,659)
	No.	No.
Weighted average number of shares used as the denominator for basic earnings per share calculation		
Ordinary and diluted shares	30,768,590	20,526,297

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

18. SUBSEQUENT EVENTS

(i) MTD, a wholly owned subsidiary of WinTech was placed under receivership following the appointment of Deloitte Touche Tohmatsu as Receiver and Manager of the business on 23 July 2009 by its financier due to a breach of contractual loan covenants. From this date the parent company WinTech Ltd lost control of MTD.

As a consequence of the loss of information that arose from Magnafield's liquidation, the Company's shares were suspended from official quotation on the ASX, pending the release of additional information and clarification concerning the Company's financial condition.

(ii) On 27 August 2009 WinTech issued a Convertible Loan of $200,000 to Kings International Enterprise Pty Ltd (Kings). The loan had a term of 6 months and an interest rate of 15% per annum.

As at the maturity date of 27 February 2010, the convertible note was rolled over with all the same terms for another 12 months, maturing 27 February 2011.

Upon maturity, if the loan converts to equity, Kings will be entitled to shares at $0.02 per share with 2 free options attached exercisable at $0.02 on or before 26 December 2011.

(iii) Mr. King Chuen Chong has been appointed to the Board of Directors with effect from 27 August 2009. Mr. Chong graduated with a Bachelor of Commerce from the University of Melbourne. He is a director of an IT and electronic company in Melbourne and has extensive experience in the IT industry. He is also actively involved in commercial and residential development in Australia.

(iv) In June 2010 the company was advised that proceedings against the company were instigated in the Supreme Court of Victoria by Securities and Investments Group Pty Ltd. These proceedings sought the appointment of an official liquidator to wind up the company due to the failure of the company to pay the total of the debt owing to Securities and Investments Group Pty Ltd.

In October 2009 the total of the debt owing, being $137,000 was paid to Securities and Investments Group Pty Ltd by the company from funds loaned to the company.

On 11 November 2009, Capital One Securities Pty Ltd, another creditor of the company, made an application to the Supreme Court of Victoria to be substituted as the plaintiff in the above proceedings. The amount of the debt claimed by Capital One Securities Pty Ltd was $200,000 which was paid in January 2010.

Both the amounts payable to Capital One Investments Pty Ltd and Securities and Investments Group Pty Ltd were accrued for as unsecured liabilities in these financial statements, as at 30 June 2009.

Finally another claim was lodged with the company on 7 December 2009 by Tim Clark in respect of past services unpaid. The total of the claim was $722,144. Following several court adjournments, that matter was dismissed in court on 24 March 2010. The Directors are confident that there is no obligation remaining in-respect of this claim and no amount has been accrued for in these financial statements.

18. SUBSEQUENT EVENTS *(Continued)*

(v) On 26 November 2009 the company entered into a Memorandum of Understanding with a non-related Indonesian company, PT Pasir Walannae, to acquire an interest in a coal concession situated in South Sulawesi, Indonesia. As at the date of this report, legal due diligence on the new investment opportunity has not commenced. If the result of the due diligence is satisfactory, the Company will execute formal contractual documents to acquire 51% of the concession holder and will be required to pay a non-refundable deposit of $USD 100,000 to execute the purchase contract.

Following the execution of the purchase contract, the Company will have a three month period in which to conduct a detailed due diligence to establish the commercial viability of the concession. Should the Company then wish to continue, a further payment of $USD 900,000, along with an ongoing royalty agreement will be required to complete the purchase.

The Company advises that if this transaction is continued, a prospectus will be prepared to facilitate a further public fund raising. This will constitute a change of the Company's activities and as such the Company will need to comply with Chapters 1 and 2 of the ASX Listing Rules prior to being relisted.

(vi) On 26 November 2009 the Company secured two convertible loans of $200,000 each from non-related parties. The loans matured on 19 April 2010 with interest accruing at 15% per annum, compounded quarterly. The convertible notes included an option to convert the loans into ordinary shares at $0.01 per share, up to a maximum of 40,000,000 shares, subject to shareholder and regulatory approval.

As at the maturity date of 19 April 2010, the convertible note was rolled over with all the same terms for another 12 months, maturing 19 April 2011.

Upon maturity, if the loan converts into equity each share will have 1 free option attached, exercisable at $0.02 before 26 December 2011. The proceeds of the loans were used to extinguish existing debts.

(vii) On 23 February 2010 Mr. Wei Li resigned as a director of the company.

(viii) Mr. William Maurice Gerkens was appointed to the Board of Directors from 6 April 2010. Mr. Gerkens graduated from Melbourne University with a Bachelor of Laws, was admitted as a Barrister and Solicitor of the Supreme Court of Victoria and High Court of Australia and as a legal Practitioner of the Supreme Court of New South Wales. He has previously held a public company directorship, various reviews and appeals tribunal positions and was formerly a Magistrate of the State of Victoria.

(ix) On 5 March 2010, the company has negotiated $400,000 convertible loans with Beijing Allfine Technology Co. Ltd. The loans were made available to the company 14 days after 10 May 2010. Interest on the drawn down amounts will be 1.5% per calendar month or part there of commencing on each of the respective drawn down amounts. The loans can be converted into equity at any time by the lender giving notice to Wintech of that intention. The conversion rate will be 80% of VWAP for the 5 trading days prior to the conversion is being given. The company will issue the shares relating to the conversion within 45 days of the conversion request. In the event that the company fails to obtain shareholder approval or issue the shares as required within the time schedule, the company will increase the interest rate to 2.5% per calendar month and pay a fee of $25,000. As at the date of this report, the company had drawn down $200,000 from this loan facility.

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purpose of the statements of cash flow, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the cash flow statement is reconciled in the balance sheet as follows:

	Consolidated Group		Parent entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Cash at bank	**16,750**	6,072	**-**	6,072
Bank overdraft	**(60,927)**	-	**(60,927)**	-
	(44,177)	6,072	**(60,927)**	6,072

As at 30 June 2009 the company had no unused available credit limits on its overdraft balance (2008: $nil).

(b) Reconciliation of cash flow from operating activities with loss from ordinary activities after income tax

Loss after income tax	**(5,038,925)**	(922,659)	**(4,885,600)**	(1,225,184)
Non-cash items:				
Share based payments	**-**	520,000	**-**	520,000
Impairment charges	**2,397,709**	130,000	**3,049,876**	-
	(2,641,216)	(272,659)	**(1,835,724)**	(705,184)
Changes in assets and liabilities net of the effect of purchase and loss of control of subsidiaries				
(Increase)/decrease in debtors, prepayments and other receivables	**-**	113,670	**19,802**	113,670
Increase/(decrease) in trade and other creditors	**621,892**	363,984	**621,006**	363,984
Increase/(decrease) in provisions	**-**	(574,711)	**-**	(217,670)
Cash flow from operating activities	**(2,019,324)**	(369,716)	**(1,194,916)**	(445,200)

(c) Non-cash Financing and Investing Activities

Settlement of creditors and borrowings	**750,000**	515,000	**750,000**	515,000
Settlement of capital raising costs	**750,000**	-	**750,000**	-
Shares issued for acquisition of MTD	**1,579,976**	-	**1,579,976**	-
Share based remuneration:				
- Directors	**-**	420,000	**-**	420,000
- Company Secretary	**-**	100,000	**-**	100,000
	3,079,976	1,035,000	**3,079,976**	1,035,000

20. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel

All transactions with key management personnel have been included within the Remuneration Report, which forms part of the Directors' report accompanying these financial statements and notes.

Associated companies

During the year the group increased its holding in MTD from 30% to 100%. For further details refer to note 15(a).

The following transactions between Key Management Personnel and MTD occurred during the year:

a) Payments to Kim Wong for expenses totalling $170,775; and

b) Cash loaned to Michael Shea totalling $116,561. As at 30 June 2009 Michael Shea had an outstanding loan balance of $116,561 which had a nil fair value on acquisition in the group's accounts. The unsecured loan was at call and had no interest bearing terms.

As at 1 July 2008, Wintech had loaned $298,750 to MTD. During the financial year, Wintech loaned an additional $971,150 to MTD. This has brought the total loan owing to Wintech to $1,269,900. The directors assessed that $1,169,900 of $1,269,900 was impaired as at 30 June 2009.

21. FINANCIALRISK MANAGEMENT

(a) Financial Risk Management Policies

The group's financial instruments held at fair value through profit and loss consist mainly of deposits with banks, local money market instruments, investments, accounts receivable and payable, loans to and from subsidiaries, and commercial borrowings.

(i) Treasury Risk Management

The directors of the company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

21. FINANCIAL RISK MANAGEMENT *(Continued)*

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The only significant financial risk the group is exposed to through its financial instruments is liquidity risk.

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Consolidated Group 2009	**Weighted average interest rate**	**Fixed interest rate (within 3 months) $**	**Non Interest bearing (within 3 months) $**	**Non Interest bearing (1 to 5 years) $**	**Total $**
Financial assets					
Cash and cash equivalents		-	16,750	-	16,750
Trade and other receivables		-	6,723,735	-	6,723,735
		-	6,740,485	-	6,740,485
Financial liabilities					
Payables		-	1,989,638	-	1,989,638
Bank overdraft	9%	60,927	-	-	60,927
Short-term borrowings	11%	5,774,701	-	-	5,774,701
		5,835,628	1,989,638	-	7,825,266
2008					
Financial assets					
Cash and bank deposits		-	6,072	-	6,072
Receivables – current		-	19,802	-	19,802
Investments		-	-	300,000	300,000
Receivables – non-current		-	-	298,750	298,750
		-	25,874	598,750	624,624
Financial liabilities					
Payables		-	502,068	-	502,068
Short-term borrowings	10%	150,000	-	-	150,000
Long-term borrowings		-	-	342,635	342,635
		150,000	502,068	342,635	994,703

21. FINANCIAL RISK MANAGEMENT *(Continued)*

	Weighted average interest rate	Fixed interest rate (within 3 months)	Non Interest bearing (within 3 months)	Non Interest bearing (1 to 5 years)	Total
		$	$	$	$
Parent Entity					
2009					
Financial Liabilities					
Payables		**-**	**793,674**	**-**	**793,674**
Bank overdraft	**9%**	**60,927**	**-**	**-**	**60,927**
Short-term borrowings	**11%**	**89,081**	**-**	**-**	**89,081**
		150,008	**793,674**	**-**	**943,682**
2008					
Financial assets					
Cash and bank deposits		-	6,072	-	6,072
Receivables – current		-	19,802	-	19,802
Investments		-	-	300,000	300,000
Receivables – non-current		-	-	298,750	298,750
		-	25,874	598,750	624,624
Financial liabilities					
Payables			502,068	-	502,068
Short-term borrowings	10%	150,000	-	-	150,000
Long-term borrowings		-	-	342,635	342,635
		150,000	502,068	342,635	994,703

(c) Net Fair Values

The net fair value of financial assets and financial liabilities approximate their carrying amounts as disclosed in the Balance Sheet and Notes to the financial statements. The consolidated group did not directly hold any listed shares and equities at 30 June 2009.

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

22. VARIATION FROM PRELIMINARY REPORT – CONSOLIDATED ENTITY

BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	Unaudited Preliminary Report $	Adjustments	Audited 30 June 2009 $
CURRENT ASSETS				
Cash and cash equivalents	b	-	**16,750**	**16,750**
Trade and other receivables	a	-	**6,723,735**	**6,723,735**
Inventory	a	-	**29,790**	**29,790**
Total current assets		-	**6,770,275**	**6,770,275**
NON CURRENT ASSETS				
Financial assets	c	500,000	**(500,000)**	**-**
Plant and Equipment	a	10,000	**151,412**	**161,412**
Total non current assets		510,000	**(348,588)**	**161,412**
Total assets		510,000	**6,421,687**	**6,931,687**
CURRENT LIABILITIES				
Bank overdraft	b	44,177	**16,750**	**60,927**
Trade and other payables	a and d	1,905,559	**84,079**	**1,989,638**
Short-term borrowings	c	6,274,701	**(500,000)**	**5,774,701**
Provisions	a	31,379	**72,049**	**103,428**
Total current liabilities		8,255,816	**(327,122)**	**7,928,694**
Total liabilities		8,255,816	**(327,122)**	**7,928,694**
NET DEFICIENCY		(7,745,816)	**6,748,809**	**(997,007)**
EQUITY				
Contributed equity		77,305,875	-	**77,305,875**
Reserves		227,481	-	**227,481**
Accumulated losses		(85,279,172)	**6,748,809**	**(78,530,363)**
TOTAL EQUITY		(7,745,816)	**6,748,809**	**(997,007)**

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

22. VARIATION FROM PRELIMINARY REPORT – CONSOLIDATED ENTITY (continued)

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Unaudited Preliminary Report $	Adjustments $	Audited 30 June 2009 $
Other income		130	-	**130**
Total revenue		130	-	**130**
Administrative expenses		(754,178)	-	**(754,178)**
Corporate expenses	d	(1,188,663)	(200,000)	**(1,388,663)**
Employee costs		(234,894)	-	**(234,894)**
Finance costs		(156,894)	-	**(156,894)**
Impairment charges	b	(9,346,518)	6,948,809	**(2,397,709)**
Occupancy expenses		(106,717)	-	**(106,717)**
Loss before income tax expense		(11,787,734)	(6,748,809)	**(5,038,925)**
Income tax expense		-	-	**-**
Loss attributable to members of the parent entity		(11,787,734)	(6,748,809)	**(5,038,925)**

Notes

a. These adjustments arose from reassessments of the fair values on acquisition of assets and liabilities acquired in MTD on 17 April 2010. The reassessments affected the impairment calculation previously attributed to the goodwill arising on the purchase of MTD.

b. A reclassification of cash balances previously net off against the bank overdraft.

c. This prepaid deposit was unpaid as at 30 June 2009 and therefore derecognised from the balance sheet.

d. An accrual for costs relating to claims by Capital One Securities.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 24 to 52, are in accordance with the *Corporations Act 2001*, and:

   (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and Chief Finance Officer have declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Kim Wong
Executive Director

Date in Melbourne, Australia this 15th day of June 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 36 003 087 689

Report on the Financial Report

We were engaged to audit the accompanying financial report of Wintech Group Limited (the company) and Wintech Group Limited and Controlled Entities (the consolidated group), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB101: Presentation of Financial Statements, that compliance with Australia equivalent to International Financial Reporting Standards (IFRS) ensures that the financial report comprising the financial statements and notes complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Because of the matter discussed in the Basis for Disclaimer of Auditor's Opinion paragraph, we were not able to complete an audit in accordance with Auditing Standards.

Independence

In conducting our audit, we have complied with applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Basis for Disclaimer of Auditor's Opinion

As noted in Note 18 to the financial statements, the company's principal subsidiary, Magnafield Technology Distribution Pty Limited ("MTD") defaulted under its National Debtor Finance Facility. The financier subsequently placed the subsidiary under administration on 23 July 2009. Under the terms of the administration arrangement, we were prohibited access to the subsidiary's accounting and statutory records. Furthermore, due to the circumstances of the administration, all key employees necessary to understanding the subsidiary's accounting and statutory records had either resigned or were terminated by the subsidiary (now in administration). As such we were unable to obtain all the information and explanations to permit the application of necessary audit procedures, in order to form an opinion on the consolidated financial report.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689
(Continued)

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the preceding paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the consolidated financial report of Wintech Group Limited is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the company's and the consolidated group's financial position as at 30 June 2009 and of their performance for the year ended on that date;

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

iii. complying with the International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

In addition to the disclaimer opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(b) to the financial statements on page 28, there is inherent uncertainty whether the consolidated group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Inherent Uncertainty Regarding Contingent Liability

In addition to the disclaimer opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 14 and 18 to the financial statements, the Group's principal subsidiary MTD is in the process of liquidation. The liquidation process, including the identification and settlement with outstanding creditors has not been completed. There is accordingly a contingent liability over potential unrecorded liabilities arising from the liquidation process and any legal action if any to be taken by creditors or local regulators.

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WINTECH GROUP LIMITED
AND CONTROLLED ENTITIES

ABN 36 003 087 689

(Continued)

Report on the Remuneration Report

We were engaged to audit the Remuneration Report included in pages 10 to 14 of the report of the directors for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300 A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our engagement to audit the accompanying financial report of the consolidated group.

Because of the matter discussed in the Basis for Disclaimer of Auditor's Opinion paragraph which affects the remuneration of key management personnel of the Group, we were not able to complete an audit of the Remuneration Report in accordance with Auditing Standards.

Basis for Disclaimer of Auditor's Opinion

As described above in the *Basis for Disclaimer of Auditor's Opinion* accompanying the *Report on the Financial Report* we were unable to obtain the information and explanations we require in order to form an opinion on the Remuneration Report.

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the preceding paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether Remuneration Report of Wintech Group Ltd complies with s 300A of the *Corporations Act 2001*.

Jeffrey Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

Dated in Melbourne, Australia on this 15th day of June 2010

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules, and not disclosed elsewhere in this report. Options refer only to listed options.

1. SHARES AND OPTIONS

(a) Substantial Shareholders

The number of shares held by the substantial shareholders advised to ASX as at 15 June 2010:

	Ordinary Shares
Australian Executor Trustee Limited <No1 Account>	2,893,543
Planet W Pty Ltd	1,750,000

(b) Distribution of Share and Option Holders as at 15 June 2010

Range	*No. of Shareholders*	*No. of Option Holders*
1 – 1,000	981	-
1,001 – 5,000	200	-
5,001 – 10,000	122	-
10,001 – 100,000	156	-
100,001 and over	75	4

(c) 20 Largest Shareholders as at 15 June 2010

	Ordinary	*No. of Ordinary Fully Paid Shares Held*	*% Held of Issued Capital*
1.	Australian Executor Trustee Limited <No1 Account>	2,893,543	7.67
2.	Planet W Pty Ltd	1,750,000	4.64
3.	Securities and Investment Group Pty Ltd	1,474,925	3.91
4.	Ms Meng Qin	1,250,000	3.31
5.	Tai Luong Investment Pty Ltd	1,128,554	2.99
6.	Mr Michael Riabkoff	1,060,299	2.81
7.	Middle East Services Pty Ltd	1,000,000	2.65
8.	King Chuen Chong	900,000	2.39
9.	Mr Johanes Tang Widjaja	886,155	2.35
10.	ANZ Nominees Ltd <Cash Income Account>	874,954	2.32
11.	Nefco Nominees Ltd	871,123	2.31
12.	Jian Feng Li	839,956	2.23
13.	ATC Investment Ltd	836,547	2.22
14.	Daisar Investments Pty Ltd	749,974	1.99
15.	Platinum United Pty Ltd	524,973	1.39
16.	Edgerton Technologies Ltd	520,000	1.38
17.	The CFO Solution Team Pty Ltd <CFO Solution Team Account>	510,000	1.35
18.	Thames International Pty Ltd	500,000	1.33
19.	Mr Athanasios Lekkas <Athan Lekkas Family Account>	452,976	1.20
20.	Subbiah Lakshmanan	450,000	1.19

The 20 largest shareholders hold 51.60% of the ordinary shares of the company.

ASX ADDITIONAL INFORMATION *(CONTINUED)*

(d) Option Holders

As at the date of this report there were 7,199,938 options on issue in the company.

(e) Voting Rights

As set out in the Articles of Association of the company, at a general meeting of the company, every ordinary shareholder present in person, or by proxy, has one vote on a show of hands and one vote per ordinary share on a poll.

There are no voting rights attached to any options in respect of unissued ordinary shares.

2. COMPANY SECRETARY

The name of the Company Secretary is Kenneth Glynn appointed on 10 June 2010.

3. REGISTERED OFFICE

The address of the registered office in Australia is Level 9, 552 Lonsdale Street, Melbourne Victoria, Australia 3000.

4. REGISTER OF SECURITIES

Register of Securities is held at Registries Limited, Level 7, 207 Kent Street, Sydney, New South Wales, Australia 2000.

5. SHARES

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited. The home exchange is Brisbane, Australia.