



WINTECH GROUP LIMITED

(Under Deed of Company Arrangement)

ABN 36 003 087 689

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

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WINTech GROUP LIMITED

(Under Deed of Company Arrangement)

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COMPANY PARTICULARS

DIRECTORS

Mr King Chuen Chong (Non-Executive Director)
Mr Trevor Kelly (Director)
Mr Jeyabalan Vijayasundram (Non-Executive Director)

COMPANY SECRETARY

Mr Trevor Kelly

AUDITORS

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

SOLICITORS

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

SHARE REGISTRY

BoardRoom Pty Ltd
Level 7, 207 Kent Street,
Sydney NSW 2000

REGISTERED OFFICE

WinTech Group Ltd
Suite 304,22 St Kilda Road
St Kilda, VIC 3182

Telephone: (61) 3 9692 7222

Facsimile: (61) 3 9529 8057

PRINCIPAL PLACE OF BUSINESS

WinTech Group Ltd
Suite 304,22 St Kilda Road
St Kilda, VIC 3182

Telephone: (61) 3 9692 7222

Facsimile: (61) 3 9529 8057

BANKERS

Macquarie Bank
1 Martin Place
Sydney NSW 2000

STOCK EXCHANGE LISTING

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

WINTech GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

DIRECTORS' REPORT

The Directors present their report together with the financial report of WinTech Group Limited (Under Deed of Company Arrangement) (the "Company") for the year ended 30 June 2011.

DIRECTORS

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

Kim Wong (resigned 28 July 2010)
Yong Hua Tay (resigned 29 July 2010)
David Yap (resigned 29 July 2010)
King Chuen Chong (appointed 27 August 2009)
Maurice William Gerkens – (resigned 4 August 2010)
Trevor Kelly (appointed 30 August 2010)
Jeyabalan Vijayasundram (appointed 30 August 2010)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was review of investment opportunities.

OPERATING RESULTS

The Company recorded a net loss after income tax of \$172,402 (2010: loss of \$1,433,916) for the year ended 30 June 2011.

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

- (i) On 15 March 2011 the company entered into a Convertible Loan and Subscription Agreement with ABEnergy Properties Pty Ltd. The funding for creditors under the Deed of Company Arrangement ("DOCA") is coming from advances from this and related agreements.
- (ii) On 12 April 2011 an Administrator was appointed to Wintech Group Limited.
- (iii) On 26 May 2011 the creditors voted to adopt a DOCA.
- (iv) Under the DOCA the convertible notes of \$1,050,000 are to convert to equity and accrued interest will be forgiven. Further, the unsecured creditors are to convert \$1,000,000 of outstanding entitlements into equity and the balance is to be forgiven.
- (v) The DOCA was effectuated on 30 June 2011, pending approval from shareholders and regulatory authorities.

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DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS

Name and Qualification	Experience & Qualifications
<p>Kim Wong Executive Director</p> <p>Qualifications and Experience:</p> <p>Directorship held in other listed entities during the three years prior to the current year:</p>	<p>Appointed to the Board on 22 January 2003 Resigned 28 July 2010</p> <p>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.</p> <p>None</p>
<p>Yong Hua Tay Non-executive Director & Member of Audit and Remuneration Committee</p> <p>Qualifications and Experience:</p> <p>Directorship held in other listed entities during the three years prior to the current year:</p>	<p>Appointed to the Board on 18 August 2003 Resigned 29 July 2010</p> <p>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.</p> <p>KLW Holdings Ltd Inno-Pacific Holdings Ltd</p>
<p>David Yap Non-executive Director & Chairman of Audit and Remuneration Committee</p> <p>Qualifications and Experience:</p> <p>Directorship held in other listed entities during the three years prior to the current year:</p>	<p>Appointed to the Board on 25 May 2004 Resigned 29 July 2010</p> <p>Mr Yap is presently a Director of a Singapore-based company specialising in the distribution of corrugated paper pallets and other packaging material.</p> <p>None</p>

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DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS (Continued)

Name and Qualification	Experience & Qualifications
King Chuen Chong Non-Executive Director Qualifications and Experience:	Appointed to the Board on 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.
Directorship held in other listed entities during the three years prior to the current year:	None
Maurice William Gerkens Non-Executive Director & Chairman Qualifications and Experience:	Appointed to the Board on 6 April 2010 Resigned 4 August 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 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
Trevor Kelly Director Qualifications and Experience:	Appointed to the Board on 30 August 2010 Mr Kelly has tertiary and professional qualifications in electronic engineering and holds a Masters Degree in Professional Education and Training from Deakin University. Mr. Kelly has held senior executive positions with private and ASX listed companies that include Chief Operations Officer for a data and telecommunications company; also as National Operations Manager for one of the largest professional certification training companies in the Asia Pac region. He has extensive experience in business development management and has fourteen years of defence related work, both working for RAAF and as a consultant.
Directorship held in other listed entities during the three years prior to the current year:	None

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DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS (Continued)

Name and Qualification	Experience & Qualifications
Jeyabalan Vijayasundram Non-Executive Director	Appointed to the Board on 30 August 2010
Qualifications and Experience:	Mr Vijayasundram has 30 years of progressive management and marketing expertise in diverse arenas with demonstrated initiative, creativity and success. He is a proactive leader with experience in global environments. He provides expertise in strategic planning and new business development, and has advanced skills in market plan execution, cost containment, budgeting/finance, supervision and mentoring.
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
Trevor Kelly Company Secretary	Appointed to the Board on 30 August 2010 Please see Information on Directors.
Kenneth Glynn Company Secretary	Appointed to the Board on 10 June 2010 Resigned 29 July 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.

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DIRECTORS' REPORT
(Continued)

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, no meetings of Directors were held.

	Number eligible to attend	Number attended
Kim Wong	-	-
David Yap	-	-
Yong Hua Tay	-	-
King Chuen Chong	-6	-6
Maurice William Gerkens	-	-
Trevor Kelly	-6	-6
Jeyabalan Vijayasundram	-6	-6

AUDIT AND REMUNERATION COMMITTEE

The following table sets out the number of Audit & Remuneration Committee meetings held during the financial year and the number of meetings attended by each director. During the financial year, no meetings were held.

	Meetings held	Meetings attended
Trevor Kelly	-	-

SUBSEQUENT EVENTS

On 12 April 2011 the Company appointed Administrators, who on 26 May 2011, proceeded to enter the Company into a DOCA with its creditors. On 30 June 2011 the DOCA was executed with the creditors. The following matters in the DOCA require approval by shareholders at a general meeting:

- The administrators of the company have negotiated with convertible note holders, with obligations totalling \$1,050,000, and creditors, with obligations totalling in excess of \$1,000,000 to settle their outstanding claims through the issue of 80,000,000 and 50,000,000 ordinary shares respectively; and
- The company raised \$400,000 through a Convertible Loan and Subscription Agreement with ABEnergy Properties Pty Ltd in order to pay out a portion of the creditor balances and to settle expenses arising from the administration of the DOCA.

Furthermore, the Directors of the company are currently in negotiations with a third party to discuss a possible takeover acquisition wholly funded through the issue of equity. These negotiations are in an advanced stage and the Directors are confident that the transaction will take place. As a consequence of this acquisition, the company will be able to access working capital sufficient for it to meet its debts as and when they fall due and payable.

The company acquired Magnafield Technology Distribution Pty Ltd ("MTD") in 2009 which subsequently was placed into administration in July. MTD has been liquidated as at 29 September 2010 through the Supreme Court of Victoria. The corporate relationship between WinTech and MTD specifically excluded a deed of guarantee. As such, the Directors believe that any claims or obligations arising from the liquidation of MTD will not affect the Company.

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DIRECTORS' REPORT

(Continued)

INDEMNIFYING OFFICERS OR AUDITORS

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

- (i) The Company'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

- (i) For the financial year ending 30 June 2011, 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 18 and forms part of this directors' report.

NON-AUDIT SERVICES

For the financial year ended 30 June 2011, 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.

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.

	2011	2010
	\$	\$
Audit services		
Audit and review of the financial report	18,000	73,900
Non audit services		
Assistance with taxation compliance	-	17,630

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REMUNERATION REPORT

REMUNERATION POLICY

Remuneration levels for directors, secretaries, senior managers of the Company, and relevant group executives of the Company ("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 Company's performance including:
 - the Company's earnings.
 - the growth in share price and returns on shareholder wealth.
- the amount of incentives within each directors and senior executives remuneration.

For the financial year ending 30 June 2010 no member of key management personnel has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests exist at year end. No member of key management personnel received any payment for remuneration during the financial year ending 30 June 2011 (2010: Nil)

For details of key management personnel equity holdings, refer to note 10.

SHARE OPTIONS

At this date of this report, the unissued ordinary shares of Wintech Group Limited (Under Deed of Company Arrangement) under option are as follows:

Grant Date and Issue Date	Date of Expiry	Exercise Price	Number Under Option
27 November 2008	31 December 2011	\$0.25	6,000,000

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


Trevor Kelly
Director

Dated in Melbourne, Australia on this 31th day of August 2011

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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 2011.

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.

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.

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CORPORATE GOVERNANCE STATEMENT

(Continued)

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 three Independent Directors. Due to the size of the company, Mr. Trevor Kelly 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 K C Chong
- Mr M W Gerkens
- Mr J Vijayasundram

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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 at least 1 formal Board meeting 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.

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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 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.

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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 Director:

- **Trevor Kelly**

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.

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CORPORATE GOVERNANCE STATEMENT
(Continued)

Audit and Remuneration Committee (Continued)

The Committee generally invites the CEO 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.

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CORPORATE GOVERNANCE STATEMENT
(Continued)

Risk Management (Continued)

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.

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.

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CORPORATE GOVERNANCE STATEMENT
(Continued)

Share trading policy (Continued)

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.

31 August 2011

The Board of Directors
WinTech Group Limited (under Deed of Company Arrangement)
Suite 301, 22 St Kilda Road
ST KILDA VIC 3182

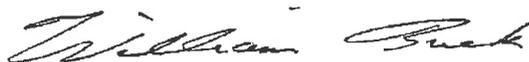
Dear Board Members

Auditor's Independence Declaration
In accordance with Section 307c of the Corporations Act 2001
To the Directors of Wintech Group Limited (Under Deed of Company Arrangement)

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 (under Deed of Company Arrangement).

I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporation Act 2001 in relation to the audit;
- and
- (ii) any applicable code of professional conduct in relation to the audit.



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



H. D. Paton
Director

Dated this 31st day of August, 2011

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Level 1, 465 Auburn Road, Hawthorn East VIC 3123
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williambuck.com

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Praxity
ASSOCIATE
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

WINTECH GROUP LIMITED
 (Under Deed of Company Arrangement)
 ABN 36 003 087 689

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Company	
		2011 \$	2010 \$
Administrative expenses		(172,402)	(1,547,182)
Forgiveness of debts		-	113,266
Loss before income tax expense		(172,402)	(1,433,916)
Income tax expense	3	-	-
Loss attributable to members of the Company		(172,402)	(1,433,916)
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to members of the Company		(172,402)	(1,433,916)
Earnings per share			
Basic and diluted loss per share	8	(\$0.003)	(\$0.027)

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
 (Under Deed of Company Arrangement)
 ABN 36 003 087 689

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	Company	
		2011	2010
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	9(a)	-	1,721
Total current assets		-	1,721
Total assets		-	1,721
CURRENT LIABILITIES			
Bank overdraft	9(a)	-	33,319
Trade and other payables	5	400,000	246,000
Total current liabilities		400,000	279,319
Total liabilities		400,000	279,319
NET DEFICIENCY		(400,000)	(277,598)
EQUITY			
Contributed equity	6	77,305,875	77,305,875
Reserves	6(b)	2,050,000	2,000,000
Accumulated losses		(79,755,875)	(79,583,473)
TOTAL EQUITY		(400,000)	(277,598)

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
 (Under Deed of Company Arrangement)
 ABN 36 003 087 689

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Ordinary Share Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2009	77,305,875	-	(78,149,557)	(843,682)
Loss attributable to the Company	-	-	(1,433,916)	(1,433,916)
Settlement of creditors' claims - note 1(b)	-	2,000,000	-	2,000,000
Balance at 30 June 2010	77,305,875	2,000,000	(79,583,473)	(277,598)
Loss attributable to the Company	-	-	(172,402)	(172,402)
Settlement of creditors' claims - note 1(b)	-	50,000	-	50,000
Balance at 30 June 2011	77,305,875	2,050,000	(79,755,875)	(400,000)

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
 (Under Deed of Company Arrangement)
 ABN 36 003 087 689

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Company	
		2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(18,402)	(760,296)
Interest and costs of finance paid		-	(210,375)
		<hr/>	<hr/>
Net cash used in operating activities	9(b)	(18,402)	(970,671)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of convertible notes		50,000	1,000,000
		<hr/>	<hr/>
Net cash provided by financing activities		50,000	1,000,000
		<hr/>	<hr/>
Net (decrease)/increase in cash held		31,598	29,329
Cash and cash equivalents at the beginning of the financial year		(31,598)	(60,927)
		<hr/>	<hr/>
Cash at the end of the financial year	9(a)	-	(31,598)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

WINTECH GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are for Wintech Group Limited (Under Deed of Company Arrangement), a company incorporated and domiciled in Australia.

(a) Basis of preparation

These financial statements are general purpose financial statements that have 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.

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

(b) Going concern

These financial statements have been prepared on a going concern basis notwithstanding that for the year then ended 30 June 2011 the Company incurred an operating loss of \$172,402 (2010: loss of \$1,433,916) and liabilities exceeded assets by \$400,000 (2010: \$277,598).

On 12 April 2011 the Company appointed Administrators, who on 26 May 2011, proceeded to enter the Company into a DOCA with its creditors. On 30 June 2011 the DOCA was executed with the creditors. The following matters in the DOCA require approval by shareholders at a general meeting:

- The administrators of the company have negotiated with convertible note holders, with obligations totalling \$1,050,000, and creditors, with obligations totalling in excess of \$1,000,000 to settle their outstanding claims through the issue of 80,000,000 and 50,000,000 ordinary shares respectively; and
- The company raised \$400,000 through a Convertible Loan and Subscription Agreement with ABEnergy Properties Pty Ltd in order to pay out a portion of the creditor balances and to settle expenses arising from the administration of the DOCA.

Furthermore, the Directors of the company are currently in negotiations with a third party to discuss a possible takeover acquisition wholly funded through the issue of equity. These negotiations are in an advanced stage and the Directors are confident that the transaction will take place. As a consequence of this acquisition, the company will be able to access working capital sufficient for it to meet its debts as and when they fall due and payable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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

(b) Going concern *(Continued)*

The company invested in 100% of the share capital of Magnafield Technology Distribution Pty Ltd ("MTD") in 2009 which subsequently was placed into administration in July. MTD has been liquidated as at 29 September 2010 through the Supreme Court of Victoria. The corporate relationship between Wintech and MTD specifically excluded a deed of guarantee. As such, the Directors believe that any claims or obligations arising from the liquidation of MTD will not affect the Company.

(c) 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 on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. 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 the end of the reporting period. 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.

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.

(d) 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 the end of the reporting period 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 balance sheet in the financial year in which the exchange rates change.

WINTECH GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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

(e) 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.

(f) 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.

(g) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the Company 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.

(h) Convertible Notes Payable

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.

(i) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Financial Instruments *(Continued)*

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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 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.

Extinguishing Financial Liabilities with Equity Instruments

The issue of an entity's equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid to extinguish the liability and therefore satisfies the requirements for de-recognition of a financial liability. When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, an entity shall measure them at the fair value of the equity instruments issued, unless that fair value cannot be reliably measured. If the fair value of the equity instruments issued cannot be reliably measured then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished.

When only part of the financial liability is extinguished, the company assesses whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the company allocates the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding.

The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid is recognised as a separate line item in the profit or loss. The equity instruments issued are recognised initially and measured at the date the financial liability (or part of that liability) is extinguished.

WINTech GROUP LIMITED

(Under Deed of Company Arrangement)

ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

(i) Financial Instruments *(Continued)*

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

(j) Comparative Figures

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

(k) 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 the current and future reporting periods. The Company has decided to adopt all of these standards in these financial statements, where early adoption is permitted.

The only significant impact arising from the adoption of the new standards and interpretations is discussed in note 2.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into financial statements 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 Company.

Determination of fair value of shares issued to trade creditors

A general meeting of shareholders is scheduled in September 2011 to issue 130,000,000 shares to creditors and convertible note holders in lieu of their outstanding entitlements. In accounting for the acquittal of the obligation the company has applied the rules available for early adoption under Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments – the standard became mandatory for financial reporting periods beginning on 1 July 2010 and thereafter. There was no impact upon the comparative results upon adoption of this standard.

The accounting adopted by the entity for these financial statements is disclosed in note 1 (j) Extinguishing Financial Liabilities with Equity Instruments.

In determining the fair value of the shares issued, the directors considered the capitalisation of the company and number of shares expected to be issued by company following the successful voting on resolutions at the forthcoming general meeting in August 2011, based on the transaction to occur at the general meeting.

WINTECH GROUP LIMITED

(Under Deed of Company Arrangement)

ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

3. INCOME TAX EXPENSE

During the year the company incurred losses totalling \$172,402; (2010: loss of \$1,433,916) potentially available to be used to offset future assessable income. Due to the process of the company's administration, and the change thereon of its business and ownership the Directors believe that none of these losses or losses from prior activities of the company will be available under current Australian taxation law and as such, none have been recognised as an asset or disclosed as a contingent asset in these financial statements.

4. REMUNERATION OF AUDITOR

	Company	
	2011	2010
	\$	\$
Audit and review of the financial report	18,000	73,900
Assistance with taxation compliance	-	17,630
	<u>18,000</u>	<u>91,530</u>

5. TRADE & OTHER PAYABLES

Trade payables and accruals subject to DOCA (i)

	<u>400,000</u>	<u>246,000</u>
--	----------------	----------------

(i) Refer to note 1(b)

6. CONTRIBUTED EQUITY

Issued Capital

51,489,191 (2010: 51,489,191) fully paid ordinary shares

	<u>77,305,875</u>	<u>77,305,875</u>
--	-------------------	-------------------

(a) Ordinary shares

Movements in ordinary shares

Balance at the beginning and end of the year:

	<u>77,305,875</u>	<u>77,305,875</u>
--	-------------------	-------------------

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 Reserve

Convertible Notes	1,050,000	1,000,000
Trade Creditors	1,000,000	1,000,000
	<u>2,050,000</u>	<u>2,000,000</u>

Under the DOCA adopted on 26 May 2011 and signed on 30 June 2011 these amounts were approved to be converted to equity. Refer to note 1(b).

WINTech GROUP LIMITED

(Under Deed of Company Arrangement)

ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(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.

7. STATEMENT OF OPERATIONS BY SEGMENT

The Company operates as a reviewer of investment opportunities.

8. EARNINGS PER SHARE

	Company	
	2011	2010
	\$	\$
Earnings reconciliation		
Net loss	172,402	1,433,916
Basic and diluted earnings	<u>172,402</u>	<u>1,433,916</u>
	No.	No.
Weighted average number of shares used as the denominator for basic earnings per share calculation		
Ordinary and diluted shares	<u>51,489,191</u>	<u>51,489,191</u>

WINTECH GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

9. 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:

	Company	
	2011	2010
	\$	\$
Cash at bank	-	1,721
Bank overdraft	-	(33,319)
	-	(31,598)

As at 30 June 2011 the company had no unused available credit limits on its overdraft balance (2010: \$nil).

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

Loss after income tax	(172,402)	(1,433,916)
Non-cash items:		
Forgiveness of debts	-	(113,266)
	(172,402)	(1,547,182)
Changes in assets and liabilities		
(Increase)/decrease in debtors, prepayments and other receivables	-	100,000
Increase/(decrease) in trade and other creditors	154,000	476,511
	(18,402)	(970,671)
Cash flow from operating activities		

10. RELATED PARTY TRANSACTIONS

As at year end the company held obligations, (and to be settled through both equity and cash under the DOCA) to the following related parties (accrued through services at arms' length terms):

Related Party Loan Balances

Name of entity	Amount outstanding as at June:	
	2011	2010
Kelly T (Director)	28,160	-
King Chuen Chong (Director)	70,200	70,200
Kings International Enterprise Pty Ltd (Director)	200,000	200,000
Jayabalan V (Director)	24,000	-
Murray Gerkens (Director)	15,000	15,000
Kim Wong (Director)	266,959	266,959

WINTECH GROUP LIMITED

(Under Deed of Company Arrangement)

ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

10. RELATED PARTY TRANSACTIONS (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 2010 No.	Received as Compensation No.	Net Change Other** No.	Balance 30 June 2011 No.
Mr. K Wong	2,264,360	-	-	2,264,360
Mr. Y H Tay	971,123	-	-	971,123
Mr. W Li	200,000	-	-	200,000
Mr. K C Chong	1,800,000	-	-	1,800,000
Mr. J Vijayasundram	-	-	-	-
Mr. T Kelly	-	-	-	-
Total	5,235,483	-	-	5,235,483

Key Management Personnel	Balance 1 July 2009 No.	Received as Compensation No.	Net Change Other** No.	Balance 30 June 2010 No.
Mr. K Wong	1,887,661	-	376,699-	2,264,360
Mr. Y H Tay	971,123	-	-	971,123
Mr. D Yap	-	-	-	-
Mr. W Li	200,000	-	-	200,000
Mr. K C Chong	1,800,000	-	-	1,800,000
Total	4,858,784	-	376,699-	5,235,483

*Net Change Other refers to shares purchased, sold, or shareholders ceased to be a related party during the financial year.

Unlisted Options

Key Management Personnel	Balance 1 July 2010 No.	Received as Compensation No.	Net Change No.	Balance 30 June 2011 No.
Mr. K Wong	-	-	-	-
Mr. Y H Tay	-	-	-	-
Mr. D Yap	-	-	-	-
Mr. W Li	-	-	-	-
Mr. M Shea	6,000,000	-	-	6,000,000
Mr. K C Chong	-	-	-	-
Mr. T Kelly	-	-	-	-
Mr. J Vijayasundram	-	-	-	-
Total	6,000,000	-	-	6,000,000

	Balance 1 July 2009 No.	Received as Compensation No.	Net Change No.	Balance 30 June 2010 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. K C Chong	-	-	-	-
Mr. M Shea	6,000,000	-	-	6,000,000
Total	7,199,938	-	(1,199,938)	6,000,000

11. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, accounts payable, commercial borrowings and amounts payable to convertible note holders.

(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.

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 Company is exposed to through its financial instruments is liquidity risk.

Liquidity Risk

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

WINTECH GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

12. FINANCIAL RISK MANAGEMENT *(Continued)*

(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.

	Weighted average interest rate	Fixed interest rate (within 3 months) \$	Non Interest bearing (within 3 months) \$	Non Interest bearing (1 to 5 years) \$	Total \$
2011					
Financial assets					
Cash and cash equivalents		-	-	-	-
Financial liabilities					
Payables		400,000	-	-	(400,000)
		400,000	-	-	(400,000)
2010					
Financial assets					
Cash and cash equivalents		-	1,721	-	1,721
		-	1,721	-	1,721
Financial liabilities					
Payables		-	246,000	-	246,000
Bank overdraft	9%	33,319	-	-	33,319
		33,319	246,000	-	279,319

(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 Company did not directly hold any listed shares and equities at 30 June 2011 (2010: NIL).

WINTech GROUP LIMITED
(Under Deed of Company Arrangement)
ABN 36 003 087 689

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 19 to 33, 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 2011 and of the performance for the year ended on that date of the Company;
2. the Chief Executive Officer has 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:


Trevor Kelly
Director

Date in Melbourne, Australia this 31th day of August 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WINTECH GROUP LIMITED (Under Deed of Company Arrangement)**

ABN 36 003 087 689

Report on the Financial Report

We have audited the accompanying financial report of Wintech Group Limited (under Deed of Company Arrangement) (the "Company"), which comprises the balance sheet as at 30 June 2011, 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 Company.

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 Australian equivalents 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. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Adelaide
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Wintech Group Limited (Under Deed of Company Arrangement)**

ABN 36 003 087 689 (Continued)

Independence

In conducting our audit, we have complied with the independence requirements of 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 Qualified Opinion

The following scope limitations occurred during the course of our audit:

As stated in our audit report to the 30 June 2010 financial report, the comparative figures in the financial report as presented in the 30 June 2010 financial report were accompanied by a disclaimer of auditor's opinion that concerned transactions with the company's investee, Magnafield Technology Distribution Pty Limited (in liquidation) and transactions with related parties of the company's former executive chairman.

In our June 2010 audit we were unable to satisfy ourselves in relation to these comparative figures by any other means, and as a result we do not express an opinion on the 2010 comparative information, nor effects thereon on the current's year's loss result expressed in the income statement nor operating cashflows expressed in the cash flow statement that may arise in the event that the existence and availability of sufficient and appropriate evidence would require an adjustment to these comparative balances.

In addition, as stated in our audit report to the 30 June 2010 financial report, the company as at 30 June 2010 raised a share-based payment reserve in-respect of claims owing to convertible note holders and secured and unsecured creditors that will be settled through the issue of 130,000,000 ordinary shares with a recorded fair value of 1.58 cents per share following necessary approval by shareholders. Under *Interpretation 19* as issued by the Australian Accounting Standards Board, where such claims are to be extinguished through the issue of equity instruments, the equity instruments should be recognised at fair value.

In our June 2010 audit we were unable to access the necessary inputs, calculations, documentation and assumptions substantiating the calculation of the fair value of these shares, and were also unable to corroborate their fair value through any other means, and as a result we do not express an opinion on the valuation of the share-based payment reserve established as at 30 June 2010 as expressed in the balance sheet and statement of changes in equity, nor effects thereon on the current year's loss result expressed in the income statement that may arise in the event that the existence and availability of sufficient and appropriate evidence would require such an adjustment.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Wintech Group Limited (Under Deed of Company Arrangement)**

ABN 36 003 087 689 (Continued)

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph:

- a. the financial report of Wintech Financial Group Limited (under Deed of Company Arrangement) is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

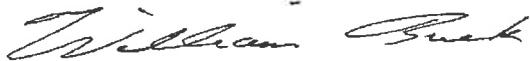
In addition to the qualified opinion expressed above, attention is drawn to Note 1(b) to the financial statements. The matters described in Note 1(b) indicate the existence of a material uncertainty that may cast significant doubt whether the Company will be able to continue as a going concern and therefore 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Wintech Group Limited (under Deed of Company Arrangement) for the year ended 30 June 2011 complies with section 300A of the Corporations Act 2001.



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



H. D. Paton
Director

Dated this 31st day of August, 2011

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 31st August 2011:

	<i>Ordinary Shares</i>
Australian Executor Trustee Limited <No1 Account>	2,895,642

(b) Distribution of Share and Option Holders as at 31st August 2011

<i>Range</i>	<i>No. of Shareholders</i>	<i>No. of Option Holders</i>
1 – 1,000	981	-
1,001 – 5,000	200	-
5,001 – 10,000	122	-
10,001 – 100,000	156	-
100,001 and over	75	7
	1,534	

The total number of shares on issue is 51,489,191

(c) 20 Largest Shareholders as at 31st August 2011

		<i>No. of Ordinary Fully Paid Shares Held</i>	<i>% Held of Issued Capital</i>
1.	<i>Ordinary</i> Australian Executor Trustees Limited <No1 Account>	2,895,642	5.62
2.	July Capital Pty Ltd	2,000,000	3.88
3.	Planet W Pty Ltd	1,750,000	3.40
4.	King Chuen Chong	1,650,000	3.20
5.	Securities and Investment Group Pty Ltd	1,474,925	2.86
6.	Consolidated Securities Pty Ltd	1,378,541	2.68
7.	Whodeani Pty Ltd	1,378,541	2.68
8.	Jac Capital Pty Ltd	1,285,714	2.50
9.	Ms Meng Qin	1,250,000	2.43
10.	Edgerton Technologies Ltd	1,145,000	2.22
11.	Tai Luong Investment Pty Ltd	1,128,554	2.19
12.	Acestar Pty Ltd	1,128,554	2.19
13.	Jerigham Investments Ltd	1,128,554	2.19
14.	Lakshmanan Thelvanal	1,128,554	2.19
15.	Zodiac Capital Limited	1,128,554	2.19
16.	Michael Riabkoff	1,060,299	2.06
17.	Middle East Services Pty Ltd	1,000,000	1.94
18.	Mr Johanes Tang Widjaja	886,155	1.72
19.	ANZ Nominees Limited <ANZ Bank GRP Ltd Opes>	874,953	1.70
20.	Nefco Nominees Pty Ltd	871,123	1.69

The 20 largest shareholders hold 51.53% of the ordinary shares of the company.

ASX ADDITIONAL INFORMATION (CONTINUED)

(d) Option Holders

As at the date of this report there were 6,000,000 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 Trevor Kelly, appointed on 30 August 2010.

3. REGISTERED OFFICE

The address of the registered office in Australia is Suite 304 22 St Kilda Road, St Kilda Victoria Australia 3182.

4. REGISTER OF SECURITIES

Register of Securities is held at BoardRoom Pty Ltd, 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.