
7. INDUSTRY PROSPECTS AND OUTLOOK

7.1 Overview and Outlook of the Malaysian Economy

The Malaysian economy is expected to strengthen further in 2004, building on the strong growth momentum in the second half of 2003 and brighter prospects for global growth 2004. Real GDP is expected to expand by 6 – 6.5% (2003: 5.2%), underpinned by stronger domestic demand and reinforced by more favourable external demand. Growth will mainly be private sector-driven, while the public sector gradually consolidates. The growing consumer and business confidence since the second quarter of 2003 strengthened economic fundamentals and the positive impact of pro-growth fiscal and monetary measures are expected to mutually reinforce robust consumer spending and the upturn in private investment activities.

The projections for growth in 2004 are based on a stronger global economic growth of 4.1% and led by synchronised recovery across all regions, an upturn in the global electronics cycle and firm prices of crude palm oil and crude oil. With the growth in Asia stronger than the global average, Malaysia is expected to benefit from the continued expansion in intra-regional trade. The expectation of the stronger pace of growth is also premised on the strength and dynamism of the private sector performance, especially the strength of the upturn in domestic investment. Evidence of higher new investments and capacity expansion are indicative that the recovery in economic growth is sustainable.

While possible downside risk remain, the strong underlying fundamentals will provide strong foundations for economic resilience and future growth.

While the external environment has improved significantly, Malaysia will continue to fine-tune the strategies to strengthen the domestic sources of growth to reduce vulnerability to external risks and strengthen economic resilience. Hence, while continuing to promote exports and foreign direct investment, greater focus has been directed at enhancing the contribution of domestic consumption and investment growth.

(Source: Bank Negara Malaysia Annual Report 2003)

7.2 Outlook of the Regional Economy

Prospects are for growth in the Asian region to be stronger between 6.6% - 6.8% in 2004. The majority of regional countries are expected to register faster growth, with the People's Republic of China leading growth in the region. Overall, regional growth is expected to be broad based, with both external and domestic demand providing the impetus to grow faster.

For 2004, the global outlook is biased on the upside, with stronger recovery in demand. Growth is expected to be supported by continued expansion in consumption and private investment and the strengthening of the labour market in the US and the positive impact of tax and labour market reforms in Europe. Hence, prospects for regional growth in Asia remain favourable.

In 2004, real GDP growth of the Asian Newly Industrialised Economies as a group is expected to strengthen to 5 – 5.2%, underpinned by robust export performance and a pick up in domestic demand.

(Source: Bank Negara Malaysia Annual Report 2003)

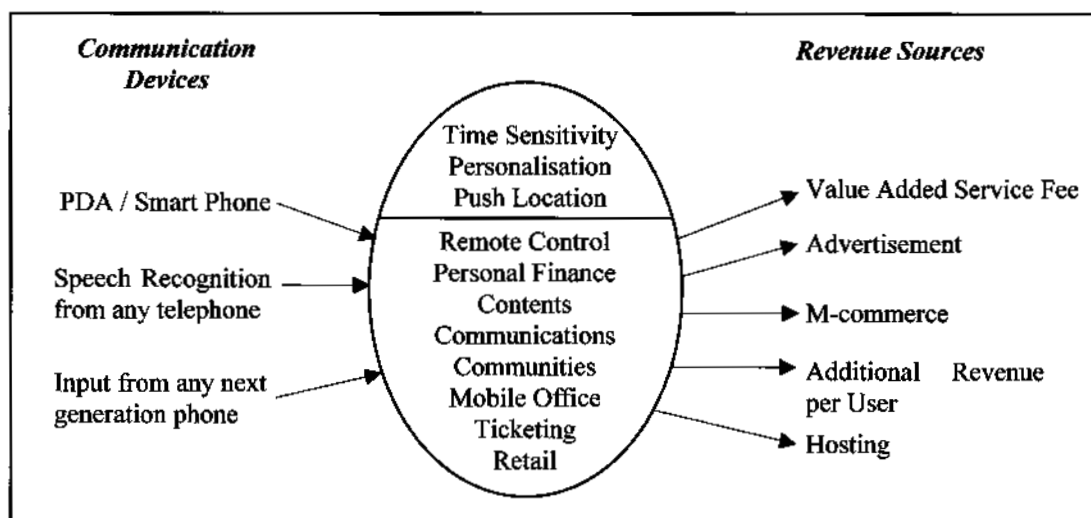
7.3 ICT Industry

In the past decade, the emergence of the Internet, coupled with rapid advances in wireless technology, has catalyzed a dramatic change in how businesses are conducted. This change, heralded as the arrival of “the information era”, is characterised by paperless culture, fast delivery of information and on-the-spot transactions. This has led many companies to make significant investment in infrastructure to allow them to carry out business on the new platform.

7. INDUSTRY PROSPECTS AND OUTLOOK (cont'd)

However, with the growing trend of users relying on various media to retrieve information, enterprises ignorant of this trend may pay a hefty price in the near future. Viztel, being one of the forerunners in communications technology, has designed its products with this trend in mind. As enterprises continue to add new forms of technology, channel extensions and services in a bid to increase revenue and effect product differentiation, the multi-channel products of Viztel can be easily configured to help these businesses achieve their business objectives. One of the most attractive features of Viztel's products is its accessibility via two of the fastest growing technologies – the telephone and the computer.

The following diagram illustrates the flexibility of multi-channel technology platform such as Viztel's SWAP platform:



7.3.1 Overview and Outlook of the Malaysian IT Industry

Knowledge-Based Economy Master Plan 2002

Malaysia initiated the Knowledge-based Economy ("K-based economy") Master Plan following the announcement in Budget 2000. The Plan calls for a paradigm shift from a Production-based Economy ("P-based economy") to a K-based economy. The K-based economy is defined as "an economy in which knowledge, creativity and innovation play an ever-increasing and important role in generating and sustaining growth". The Master Plan works on a long term timescale, envisioning the development of a knowledge-intensive economy by 2020.

The action agenda in the plan revolves around seven strategic thrusts and 132 recommendations that will be implemented over three phases during the decade up to 2010. The bulk of the recommendations are expected to be implemented by year 2006. The seven strategic thrusts are as follows:

- Cultivate and secure the necessary human resources;
- Establish the institutions necessary to champion, mobilise and drive the transition to a K-based economy;
- Develop an incentive system, infrastructure and infostructure to ensure the optimal and ever-increasing application of knowledge in all sectors of the economy;
- Dramatically increase capacity for the acquisition and application of science and technology (including information and communications technology) in all areas;
- Ensure that the private sector is the vanguard of the K-based economy;
- Develop the public sector into a K-based Civil service; and
- Bridge the knowledge and digital divides.

7. INDUSTRY PROSPECTS AND OUTLOOK (cont'd)

The telecommunications industry benefited from economies of scale following the rationalisation of the cellular industry as well as the various measures undertaken to promote new areas of growth in telecommunications. In the cellular segment, growth accelerated in 2003 due to further expansion in the subscriber base to 11 million from 9 million in 2002 as well as increased usage of both traditional voice telephony and new applications in mobile data. During the year, SMS traffic rose significantly, boosted by the wider usage of SMS in various applications. Growth in mobile data was further reinforced by the introduction of the MMS in the second half-year, which allows mobile phone users to enhance their messages by incorporating sound and images.

(Source: Bank Negara Malaysia Annual Report 2003)

The MSC continues to show progress by providing infrastructure support for the development of ICT industries, as the country moves towards a knowledge-based economy. By August 2003, 914 companies, comprising 20% foreign companies, were awarded MSC status. Planned investment in the designated areas covering activities of IT services and software development has reached RM13 billion in 2003, an increase of 34% against the previous year. The MSC has since created 21,270 jobs, out of which 86% involves knowledge workers. Currently, 59 world-class companies operate in the MSC as against 53 the year before. Reflecting improved demand in the technology sector, total sales generated from the MSC in 2003 amounted to RM5.85 billion, of which 17.5% were from exports.

(Source: Economic Report 2003/2004, Ministry of Finance)

Significant progress has already been made in fostering the development of ICT and multimedia. During the Eighth Malaysia Plan, concerted efforts will be made to further enhance the development of the sector and position Malaysia as a global ICT and multimedia hub. Focus will be made towards achieving world-class performance, in terms of service availability, affordability and productivity. As part of the effort to move towards world-class performance, the Government will implement a new policy framework for the ICT and multimedia sector that is based on rapid transition to full competition.

(Source: The Eighth Malaysia Plan 2000 - 2005)

7.3.2 Outlook of the China IT Industry

China's entry into the World Trade Organisation ("WTO") in late 2001 comes at a time when the country's telecommunication industry has already gone through an enormous period of transformation. The signs are that this transformation is set to continue for the next couple of years and beyond. In the final WTO accession agreement, China agreed to a staged opening-up of its previously heavily protected telecommunications sector.

The IT industry is closely related to the size of a country's population. Hence, to date, due to the size of its population, China's IT industry has become one of the most promising on the global scene. Furthermore, China's telecom industry has been the fastest growing and most influential sector in China's technology sector. The development and application of the telecom industry have a far-reaching impact on China's economy, the modernisation of its defence sector, as well as its society. In recent years, the growth rate of China's telecom industry has far exceeded that of its economy, resulting in the development of a high quality communication network in China.

7. INDUSTRY PROSPECTS AND OUTLOOK *(cont'd)*

The IT market in China currently is largely hardware-driven, with the services and software segment accounting for only less than one third of the entire IT industry. In 2002, the China IT services market grew at a double digit rate. In spite of weak demand from the financial services and telecommunication sectors for IT services in 2002 due to industry restructuring and reform, these two sectors are still the largest consumers of IT services in China. These industries are traditionally lucrative markets for systems integrators, although the market is becoming increasingly competitive due to new entrants to the market.

7.4 Telecommunications Industry

Worldwide spending on telecommunication continues to grow encouragingly in the year 2003. Moving in tandem, the worldwide spending on telecommunications has also shown similar growth. The Board of Directors of Viztel is also of the opinion that there are more than 1.3 billion mobile phone users and more than 1.2 billion fixed line users worldwide in 2003.

7.4.1 *Overview and Outlook of the Malaysian Telecommunications Market*

From relying heavily on conventional telephone lines and fax services for communication just about a decade ago, the telecommunications scene seen a face lift over the last few years which allowed companies, household and also individuals in Malaysia to communicate with a wide variety of fixed and wireless technologies. Being in the middle of the growing industry, the management of Viztel remains very positive on the growth of the Malaysia telecommunications market for the next 5 years.

Some of the key telecommunication technologies in the market which will continue to drive the growth of the industry are as follows:

IP Telephony

The management of Viztel is of the opinion that some of the market drivers of IP telephony in Malaysia are:

- Deregulation of the telecommunication industry by the government has spurred the issuance of licences for service provision of IP telephony. The increase in the number of providers in the market will spur the demand for the service and increase consumer awareness;
- Globalisation will result in more organisations seeking solutions to reduce overhead operating costs. IP telephony as an alternative voice service enables cost savings;
- Creation of a new business model for wholesalers. There is excess bandwidth capacity on the networks resulting in substantial bandwidth capacity to run voice traffic. The PSTN network is also under-utilised, resulting in excess capacity to cater for voice traffic.

3G

On 31 July 2002, the MCMC assigned two of the three available 3G spectrum blocks in Malaysia to the two successful bidders, Telekom Malaysia Berhad and a wholly-owned subsidiary company of Maxis Communications Berhad, UMTS (Malaysia) Sdn Bhd. The Malaysian government is one of the more proactive governments within the Asia-Pacific region in respect of technology and is keen to promote technology as the driver to future economic prosperity. The licence process was not viewed by the Malaysian government as a means to raise billions of dollars, as was the case in Europe, as successful bidders were required to pay RM50 million only as an assignment fee. The MCMC has indicated that the spectrum blocks awarded shall be assigned for a period of fifteen (15) years.

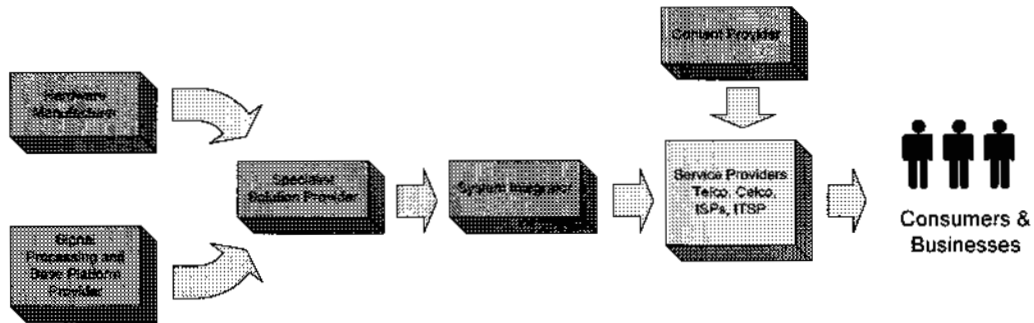
7. INDUSTRY PROSPECTS AND OUTLOOK (cont'd)

7.4.2 Outlook of the International VoIP Market

VoIP traffic surged tremendously in 2002, accounting for a significant portion of international telephony traffic. The growth in the VoIP traffic and its substitution for PSTN switched calls has considerably reduced the growth of switched traffic. VoIP appears to have a particularly notable impact in Latin America and Asia, where switched traffic volumes decreased in 2002. The VoIP traffic will continue to grow to make up a large portion of the international telephony traffic.

7.5 Viztel in the ICT Value Chain

The telecommunication industry value chain is made up of the following participants:



In the value chain of the telecommunications industry, Viztel plays the role of a Specialist Solution Provider that develops computer telephony solutions based on industry-standard hardware and established signal processing tools and complementary platforms. The ability to design and develop total computer telephony solution is essential to Viztel's rapid growth. This kind of strategic positioning allows Viztel to avoid excessive competition and to excel in providing specialized products and services to its customers.

System integrators with whom Viztel has partnerships can deploy certain computer telephony solutions offered by Viztel. These solutions are ultimately used by service providers that offer various computer telephony-based services to end-consumers and businesses.

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8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

8.1 Promoters, Substantial shareholders, Directors, Key Management and Technical Personnel

The direct and indirect interests of the Promoters, substantial shareholders, Directors, key management and technical personnel in the issued and paid-up share capital of the Company before and after the Public Issue are as follows:

Name	Designations	Before Public Issue		After Public Issue &		After Public Issue and full exercise of	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
<i>Promoters</i>		No. of Shares	%	No. of Shares	%	No. of Shares	%
MVCC	-	10,646,620	26.62	10,646,620	19.36	10,646,620	15.49
PFSB	-	5,894,980	14.74	5,894,980	10.72	5,894,980	8.57
Abdul Farish bin Abd Rashid	Non-Independent Non-Executive Chairman	-	-	5,894,980*	14.74	-	-
						1,343,750	1.95
						5,894,980*	8.57
						1,343,750	1.95
						5,894,980*	8.57
Lau Kin Wai	Managing Director	2,759,640	6.90	2,759,640	5.02	4,103,390	5.97
Pang Hao Chen	Executive Director	2,759,620	6.90	2,759,620	5.02	4,103,370	5.97
Chong Kam Hoe	Vice President, Business Development	2,759,640	6.90	2,759,640	5.02	4,103,390	5.97
SJAM	-	5,894,980	14.74	5,894,980	10.72	5,894,980	8.57
Techpacific	-	1,529,350	3.82	1,529,350	2.78	1,529,350	2.22
<i>Substantial shareholders</i>							
MVCC	-	10,646,620	26.62	10,646,620	19.36	10,646,620	15.49
PFSB	-	5,894,980	14.74	5,894,980	10.72	5,894,980	8.57
SJAM	-	5,894,980	14.74	5,894,980	10.72	5,894,980	8.57
Lau Kin Wai	Managing Director	2,759,640	6.90	2,759,640	5.02	4,103,390	5.97

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

Name	Designations	Before Public Issue		After Public Issue*		After Public Issue and full exercise of ESOS Options	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Pang Hao Chen	Executive Director	2,759,620	-	2,759,620	-	4,103,370	-
		6.90	-	5.02	-	5.97	-
Chong Kam Hoe	Vice President, Business Development	2,759,640	-	2,759,640	-	4,103,390	-
		6.90	-	5.02	-	5.97	-
Jasmani Haji Abbas	-	-	10,646,620 [^]	-	10,646,620 [^]	-	10,646,620 [^]
		-	26.62	-	19.36	-	15.49
Tan Sri Mohamed Basir bin Ahmad	-	-	10,646,620 [^]	-	10,646,620 [^]	-	10,646,620 [^]
		-	26.62	-	19.36	-	15.49
Malayan Banking Berhad	-	-	10,646,620 [^]	-	10,646,620 [^]	-	10,646,620 [^]
		-	26.62	-	19.36	-	15.49
Datin Siti Rubiah binti Datuk Samad	-	-	5,894,980*	-	5,894,980*	-	5,894,980*
		-	14.74	-	10.72	-	8.57
Abdul Farish bin Abd Rashid	Non-Independent Non-Executive Chairman	-	5,894,980*	-	5,894,980*	1,343,750	5,894,980*
		-	14.74	-	10.72	1.95	8.57
SJAM Holdings Sdn Bhd	-	-	5,894,980 [#]	-	5,894,980 [#]	-	5,894,980 [#]
		-	14.74	-	10.72	-	8.57
Dato' Nik Mohd Sidek bin Nik Abu Bakar	-	-	5,894,980 [@]	-	5,894,980 [@]	-	5,894,980 [@]
		-	14.74	-	10.72	-	8.57
Tan What Oon	-	-	5,894,980 [@]	-	5,894,980 [@]	-	5,894,980 [@]
		-	14.74	-	10.72	-	8.57

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

Name	Designations	Before Public Issue		After Public Issue ^a		After Public Issue and full exercise of ESOS Options					
		No. of Shares	%	No. of Shares	%	Direct No. of Shares	Indirect No. of Shares	Direct %	Indirect %		
Directors											
Abdul Farish bin Abd Rashid	Non-Independent Non-Executive Chairman	-	-	5,894,980*	14.74	-	-	1,343,750	5,894,980*	1.95	8.57
Lau Kin Wai	Managing Director	2,759,640	6.90	-	-	2,759,640	5.02	4,103,390	-	5.97	-
Pang Hao Chen	Executive Director	2,759,620	6.90	-	-	2,759,620	5.02	4,103,370	-	5.97	-
David Kim	Independent Non-Executive Director	-	-	-	-	300,000	0.55	1,300,000	-	0.89	-
David Mizan Hashim	Independent Non-Executive Director	-	-	-	-	-	-	500,000	-	0.09	-
Key Management / Technical Personnel											
Lau Kin Wai	Managing Director	2,759,640	6.90	-	-	2,759,640	5.02	4,103,390	-	5.97	-
Pang Hao Chen	Executive Director,	2,759,620	6.90	-	-	2,759,620	5.02	4,103,370	-	5.97	-
Chong Kam Hoe	Vice President, Business Development	2,759,640	6.90	-	-	2,759,640	5.02	4,103,390	-	5.97	-
Jordan Lim Meng Kee	Senior Technical Consultant	23,500	0.59	-	-	35,500	0.06	175,500	-	0.26	-

Note:

^a Deemed interested by virtue of his/its substantial shareholding in MVCC

* Deemed interested by virtue of his/her substantial shareholding in PFSSB

Deemed interested by virtue of its substantial shareholding in SJAM

@ Deemed interested by virtue of their substantial shareholding in SJAM Asset Holdings Sdn Bhd

& Assuming that the pink forms allocated are fully taken up

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

8.1.1 Background on Substantial Shareholders and Promoters

(i) MVCC

MVCC was incorporated in Malaysia on 4 July 1996 as a private limited company. The authorised share capital of MVCC is RM10,000,000 comprising 9,800,000 ordinary shares of RM1.00 each and 200,000 redeemable non-convertible preference shares (RNCPS) of RM1.00 each of which two (2) ordinary shares and 150,000 RNCPS have been issued and fully paid-up as at 22 June 2004.

The principal activity of MVCC is venture capital investment.

The Directors and substantial shareholders of MVCC and their shareholdings in MVCC as at 22 June 2004 are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri Mohamed Basir bin Ahmad	1*	50.0	-	-
Nor Shamsiah Mohd Yunus	-	-	-	-
Ng Kee Meng	-	-	-	-
Substantial shareholders				
Jasmani Hj Abbas	1*	50.0	-	-
Tan Sri Mohamed Basir bin Ahmad	1*	50.0	-	-

Note:

* The beneficial owner is Malayan Banking Berhad

The holders of the RNCPS are as follows:

	Direct		Indirect	
	No. of RNCPS	%	No. of RNCPS	%
Bank Negara Malaysia	100,000	67.00	-	-
Malayan Banking Berhad	50,000	33.00	-	-

(ii) PFSB

PFSB was incorporated in Malaysia on 4 April 1994 as a private limited company. The present authorised share capital of PFSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which four (4) ordinary shares have been issued and fully paid-up as at 22 June 2004.

The principal activity of PFSB is investment holding. The main investment of the company is its equity interest in Viztel. The investment in Viztel was funded by shareholders' advances. Prior to its investment in Viztel, PFSB was dormant.

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

The substantial shareholders and Directors of PFSB and their shareholdings in PFSB as at 22 June 2004 are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Datin Siti Rubiah binti Datuk Samad	2	50.0	-	-
Abdul Farish bin Abd Rashid	2	50.0	-	-
David Nading Moggie	-	-	-	-
Substantial shareholders				
Datin Siti Rubiah binti Datuk Samad	2	50.0	-	-
Abdul Farish bin Abd Rashid	2	50.0	-	-

(iii) SJAM

SJAM was incorporated in Malaysia on 29 August 1991 as a private limited company. The present authorised share capital of SJAM is RM10,000,000 comprising 8,000,000 ordinary shares of RM1.00 each, of which RM5,000,000 ordinary shares have been issued and fully paid-up and 2,000,000 3.5% cumulative non-convertible redeemable preference shares ("CNRPS") of RM1.00 each of which 880,000 CNRPS are issued and fully-paid up as at 22 June 2004.

SJAM is a licensed fund manager.

The Directors and substantial shareholders of SJAM and their shareholdings in SJAM as at 22 June 2004 are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Nik Mohd Sidek bin Nik Abu Bakar	-	-	5,000,000*	100
Dato' Kamaruddin bin Hamzah	-	-	-	-
Tan Whai Oon	-	-	5,000,000*	100
Substantial shareholders				
SJAM Holdings Sdn Bhd	5,000,000	100.0	-	-
Dato' Nik Mohd Sidek bin Nik Abu Bakar	-	-	5,000,000*	100
Tan Whai Oon	-	-	5,000,000*	100

The holders of the CNRPS are as follows:

	Direct		Indirect	
	No. of CNRPS	%	No. of CNRPS	%
SJAM Holdings Sdn Bhd	880,000	100.0	-	-
Dato' Nik Mohd Sidek bin Nik Abu Bakar	-	-	880,000*	100.0
Tan Whai Oon	-	-	880,000*	100.0

Note

* by virtue of their direct interest in SJAM Holdings Sdn Bhd

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

SJAM Holdings Sdn Bhd

SJAM Holdings Sdn Bhd was incorporated in Malaysia on 12 June 1998 as a private limited company. The present authorised share capital of SJAM Holdings Sdn Bhd is RM10,000,000 comprising 8,000,000 ordinary shares of RM1.00 each, of which 5,000,000 ordinary shares have been issued and fully paid-up and 2,000,000 CNRPS of RM1.00 each of which 1,300,000 CNRPS are issued and fully-paid up as at 22 June 2004.

The principal activity of SJAM Holdings Sdn Bhd is investment holding.

The Directors, substantial shareholders and their shareholdings in SJAM Holdings Sdn Bhd as at 22 June 2004 are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Nik Mohd Sidek bin Nik Abu Bakar	1,500,000	30.0	-	-
Dato' Kamaruddin bin Hamzah	500,000	10.0	-	-
Tan Whai Oon	3,000,000	60.0	-	-
Rozman bin Omar (alternate director to Dato' Nik Mohd Sidek bin Nik Abu Bakar)	-	-	-	-

Substantial shareholders

Dato' Nik Mohd Sidek bin Nik Abu Bakar	1,500,000	30.0	-	-
Dato' Kamaruddin bin Hamzah	500,000	10.0	-	-
Tan Whai Oon	3,000,000	60.0	-	-

The holders of the CNRPS are as follows:

	Direct		Indirect	
	No. of CNRPS	%	No. of CNRPS	%
Dato' Nik Mohd Sidek bin Nik Abu Bakar	390,000	30.0	-	-
Dato' Kamaruddin bin Hamzah	130,000	10.0	-	-
Tan Whai Oon	780,000	60.0	-	-

(iv) Techpacific

Techpacific was incorporated on 12 August 1999 as an International Business Company in the British Virgin Islands. The authorised share capital of Techpacific is USD50,000 comprising 50,000 ordinary shares of USD1.00 each, of which one (1) ordinary share is issued and fully paid-up as at 22 June 2004.

The principal activity of Techpacific is investment holding.

The Directors and substantial shareholders of Techpacific and their shareholdings in Techpacific as at 22 June 2004 are as follows:

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Directors				
Johnny Chan Kok Chung	-	-	-	-
Ilyas Tariq Khan	-	-	-	-
Substantial shareholders				
Techpacific Capital (Cayman) Limited	1	100.0	-	-

Techpacific Capital (Cayman) Limited

Techpacific Capital (Cayman) Limited was incorporated on 15 August 2001 as an investment holding company in the Cayman Islands. The authorised share capital of Techpacific Capital (Cayman) Limited is USD50,000 comprising 50,000 ordinary shares of USD1.00 each of which 1 ordinary share of USD1.00 each is issued and fully-paid up as at 22 June 2004.

The principal activity of Techpacific Capital (Cayman) Limited is investment holding.

The Directors and substantial shareholders of Techpacific Capital (Cayman) Limited and their shareholdings in Techpacific Capital (Cayman) Limited as at 22 June 2004 are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Directors				
Johnny Chan Kok Chung	-	-	-	-
Ilyas Tariq Khan	-	-	-	-
Substantial shareholders				
Techpacific Capital Limited	1	100.0	-	-

Techpacific Capital Limited

Techpacific Capital Limited was incorporated on 21 February 2000 as an investment banking and asset management company in the Cayman Islands. The authorised share capital of Techpacific Capital Limited is USD20,000,000 comprising 20,000,000,000 ordinary shares of USD0.001 each of which 2,502,577,245 ordinary share of USD0.001 each are issued and fully-paid up as at 22 June 2004.

The principal activity of Techpacific Capital Limited is investment holding. Techpacific Capital Limited is a public company listed on the Stock Exchange of Hong Kong's Growth Enterprise Market.

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8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

The Directors of Techpacific Capital Limited and their shareholdings in Techpacific Capital Limited as at 22 June 2004 are as follows:

Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Johnny Chan Kok Chung	207,805,852	8.31	16,097,387 [#]	0.64
Ilyas Tariq Khan	79,994,076	3.20	513,498,147*	20.52
Peter McIntyre Koenig	-	-	-	-
Ahmad Al-Khaled	-	-	-	-
Daniel Yen Tzu Chen	-	-	-	-
Francis Yuen Tin Fan	-	-	929,400	0.04

Notes:

[#] By virtue of his spouse's shareholding

* By virtue of his shareholdings in TW Indus Limited and ECK & Partners Limited

8.1.2 Directorships of substantial shareholders and Promoters in Other Public Companies

None of the substantial shareholders or Promoters of Viztel has directorships in any other public companies for the past two (2) years from the date of this Prospectus.

8.1.3 Substantial Shareholdings of substantial shareholders and Promoters in Other Public Companies

None of the substantial shareholders or Promoters of Viztel has substantial shareholdings, whether directly or indirectly, in any other public companies for the past two (2) years from the date of this Prospectus.

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8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL (cont'd)

8.2 Changes in Substantial Shareholders

The changes in the substantial shareholders of Viztel and their shareholdings for the past three (3) years up to 22 June 2004 (being the latest practicable date prior to the registration of this Prospectus) are as follows:

Name	As at 22 June 2002				As at 22 June 2003				As at 22 June 2004			
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
Substantial shareholders												
MVCC	-	-	-	-	-	-	-	-	10,646,620	26.62	-	-
PFSB	245,000	29.70	-	-	245,000	29.70	-	-	5,894,980	14.74	-	-
Lau Kin Wai	83,073	10.07	-	-	83,073	10.07	-	-	2,759,640	6.90	-	-
Pang Hao Chen	83,072	10.07	-	-	83,072	10.07	-	-	2,759,620	6.90	-	-
Chong Kam Hoe	83,072	10.07	-	-	83,072	10.07	-	-	2,759,640	6.90	-	-
Tan Heng Kiat	76,486	9.27	-	-	76,486	9.27	-	-	-	-	-	-
SJAM	70,000	8.48	-	-	70,000	8.48	-	-	5,894,980	14.74	-	-
Technapacifc	63,561	7.70	-	-	63,561	7.70	-	-	1,529,350	3.82	-	-
Jasmani Haji Abbas	-	-	-	-	-	-	-	-	-	-	10,646,620 [*]	26.62
Tan Sri Mohamed Basir bin Ahmad	-	-	-	-	-	-	-	-	-	-	10,646,620 [*]	26.62
Malayan Banking Berhad	-	-	-	-	-	-	-	-	-	-	10,646,620 [*]	26.62
Datin Siti Rubiah binti Datuk Samad	-	-	245,000*	29.70	-	-	245,000*	29.70	-	-	5,894,980*	14.74
Abdul Farish bin Abd Rashid	-	-	245,000*	29.70	-	-	245,000*	29.70	-	-	5,894,980*	14.74
Dato' Nik Mohd Sidek bin Nik Abu Bakar	-	-	70,000 [^]	8.48	-	-	70,000 [^]	8.48	-	-	5,894,980 [^]	14.74
Tan Whai Oon	-	-	70,000 [^]	8.48	-	-	70,000 [^]	8.48	-	-	5,894,980 [^]	14.74
Technapacifc Capital (Cayman) Limited	-	-	63,561*	7.70	-	-	63,561*	7.70	-	-	1,529,350*	3.82
Technapacifc Capital Limited	-	-	63,561*	7.70	-	-	63,561*	7.70	-	-	1,529,350*	3.82

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(cont'd)*

Note:

- & Deemed interested by virtue of his/its substantial shareholding in MVCC
- * Deemed interested by virtue of his/her substantial shareholding in PFSB
- ^ Deemed interested by virtue of his substantial shareholding in SJAM
- + Deemed interested by virtue of it being the sole shareholder of Techpacific
- # Deemed interested by virtue of it being the sole shareholder of Techpacific Capital (Cayman) Limited

8.3 Board of Directors

Abdul Farish bin Abdul Rashid, a Malaysian, aged 44, is the Non-Independent Non-Executive Chairman of Viztel. He was appointed to the Board of Viztel on 3 June 2000. He is focused on leading the company to achieve higher recognition, growth and profitability in the IT industry. Farish is a seasoned entrepreneur who was previously involved extensively in the natural resources industry in Malaysia and Borneo, specifically in timber and oil and gas. Farish is a Director and shareholder in Stratavest Sdn Bhd which built and operates an independent power plant in East Malaysia.

Lau Kin Wai, a Malaysian, aged 28, is the Managing Director and co-founder of Viztel. Lau graduated with a First Class Honours Bachelor of Engineering in Electronic and Electrical Engineering from the University of Manchester, United Kingdom in 1998.

Lau is the architect of Viztel's vision and technology as he has a thorough understanding of various emerging communication technologies. Lau spearheads the technological development and marketing efforts of Viztel. Prior to founding Viztel, Lau was employed in a local IT consulting firm, Nt Software Sdn Bhd that focused on the financial services industry in 1999. He was responsible for starting an e-commerce consulting division to service customers in the banking and finance sectors.

Lau also has employment experience as an Associate with the Digital Communications Research Group at the Imperial College of London, under the Teaching Company Scheme ("TCS") from 1998 to 1999. The TCS project is run by the British Department of Trade and Industry ("DTI") to transfer technology from research institutions to British companies. While at Imperial College, Lau was seconded to Business Telecommunications Services Ltd in Surrey, the equivalent of Silicon Valley in the United Kingdom, and was given responsibility to structure a web-enabled call management system. Prior to his assignment at Imperial College, Lau worked with a local telecommunications consulting company, where he contributed to the development of a call conferencing system for a local Telco.

Lau has often been invited to give talks and seminars for the regional ICT industry. Amongst the successful seminars in which he was a guest speaker were:

- World Engineering Congress (WEC) 1999 hosted by the Institution of Engineers Malaysia ("IEM") in Kuala Lumpur on 19 - 21 July 1999, in which Lau presented a paper and presentation on "*Bringing Forward E-commerce with new concepts*";
- "*E-commerce Strategy and Roadmap*" seminar organised by the MSC Central Incubators Division of MDC and Multimedia University in Cyberjaya on 17 August 1999;
- "*Unified Messaging in the New Economy*" at the Intel Dialogic Executive Summit 2000, Phuket on 12 April 2000, in which Lau was the key speaker;
- "*Speech - the future of wireless access*" at the Hewlett Packard Mobile Bazaar Conference Series, Kuala Lumpur and Bangkok, March 2001;
- "*Wireless Revolution*" of Internet World Asia 2001, March 2001, Singapore;
- "*Smartcard in Wireless Environment*" for CardAsia 2001 Conference, April 2001, Singapore; and
- "*Voice Portal Technology*" by the National IT Council of Malaysia to speak at the Multimedia Asia 2001 Conference, September 2001, at Putra World Trade Center, Kuala Lumpur.

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

Lau has been cited for assembling and leading a team of researchers across different continents to publish a paper entitled "*Creative Learning with Robotics*". This paper was a collaboration between researchers from the Massachusetts Institute of Technology's Media Laboratory and other European researchers and was published during the Frontier in Education Conference'99 in Puerto Rico that was organised by the Institute of Electrical and Electronic Engineers ("IEEE").

Pang Hao Chen, a Malaysian, aged 29, is the co-founder and an Executive Director of Viztel. He was appointed as the director of Viztel on 3 June 2000. Pang manages a broad set of functions which includes administration, finance, human resources and strategic development. His role in Viztel's operations is enhanced by his set of skills that span consulting, management and marketing. He oversees the company's expansion carefully by strategically planning Viztel's path to success. He has a Master of Science in Operations Management from Manchester School of Management in 1999 and has a Bachelor in Mechatronics Engineering (Honours) degree from the University of Leeds, United Kingdom in 1998. His recent publications include a paper entitled "*Making Decisions*", published in the European Journal of Operational Research in 2000.

David Kim, an American, aged 32, was appointed the Independent Non-Executive Director of Viztel on 8 August 2000. David Kim graduated with Honours from Stanford University, USA with a Bachelor of Science in Economics and Communication. David Kim is the guiding mentor for the technopreneurs in the Company. A notable high-achiever in the realm of technology financing in the United States and Asia, David Kim lends his vast experience to the management of the Company, particularly in the areas of corporate affairs and strategic partnership. David Kim was a founding partner for the China and Korean Venture Capital arm of SoftBank Corporation in 2000 and also managed the South East Asian portion of Softbank Corporation's Emerging Markets Department. Prior to Softbank Corporation, as the Chief Financial Officer of China dotcom Corporation Limited in 1999, David Kim was key to the successful listing of the first internet company from Asia on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") at the age of 26. David Kim started his technology career with Lycos in the USA and later joined Lycos Asia and spearheaded Lycos' Asian expansion by setting up Lycos Japan and Lycos Korea. He was with Lycos Asia from 1997 to 1998.

David Mizan Hashim, a Malaysian, aged 44, was appointed the Independent Non-Executive Director of Viztel on 8 June 2004. David Mizan is the founding principal of Veritas Architects Sdn Bhd, having established the firm in 1987 soon after his graduation. He obtained a Bachelor of Science degree from the Massachusetts Institute of Technology, USA, in 1983 and a Master in Architecture from Harvard University's Graduate School of Design, USA, in 1986. Upon graduation, he was awarded the prestigious Aga Khan travel fellowship for research in Islamic architecture. David Mizan is a corporate member of the Malaysian Institute of Architects and the Malaysian Institute of Interior Design. He is also a member of the American Institute of Architects and the Boston Society of Architects. He has also been very active in the promotion of entrepreneurship and is a founding member and ex-President of the Malaysian Chapter of the Young Entrepreneurs' Organisation. He is also the President of Malaysian Chapter of World Entrepreneurs' Organisation. David Mizan won the prestigious Most Outstanding Malaysian award in 1999 in the category of Entrepreneurial Accomplishment, and led VERITAS to receive the 1999 Enterprise 50 award for best-run medium-sized firm by Anderson Consulting.

David Mizan's other professional interest is in information technology. He was the founding partner of AsiaConnect Sdn Bhd in 1995, Malaysia's first private internet service provider. He was appointed as a Director of Optidigit Sdn Bhd in 1998, a MSC-status company specialising in computer graphics and animation. In 2000, he was made a partner of I-Capital Sdn Bhd in year 2000, an IT-venture capital fund and technology incubator.

8.3.1 Directorships in Other Public Companies

None of the Directors of Viztel has directorships in any other public companies for the past two (2) years

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(cont'd)*

8.3.2 Substantial Shareholdings in Other Public Companies

None of the Directors of Viztel has substantial shareholdings, whether directly or indirectly, in any other public companies for the past two (2) years.

8.3.3 Directors' Remuneration and Benefits

The remuneration and benefits paid to the Directors of Viztel for services rendered in all capacities to the Company and its subsidiary companies for the financial year ended 31 December 2003 and the amount payable to the Directors of the Group for the financial year ending 31 December 2004 are as follows:

	Financial year ended/ending 31 December					
	2003			2004		
	Executive Directors	Non-Executive Directors	Total	Executive Directors	Non-Executive Directors	Total
Below RM50,000	1	-	43,359	-	-	-
RM50,001 – RM100,000	2	-	162,179	2	-	228,469

Note:

Only three (3) Directors received remuneration and benefits in the financial year ended 31 December 2003, as David Kim as an Independent Non-Executive Director was only reimbursed for travel expenses. It is expected that for the financial year ending 31 December 2004, the Non-Executive Directors will only be reimbursed for travel expenses and will only receive allowances for Board meetings.

8.4 Audit Committee

Viztel has set up an Audit Committee which comprises the following Board members:

Name	Designation	Directorship
David Kim	Chairman	Independent Non-Executive Director
David Mizan Hashim	Member	Independent Non-Executive Director
Pang Hao Chen	Member	Executive Director

The main functions of the Audit Committee include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and profit and loss accounts, and nomination of the auditors.

8.5 Key Management and Technical Personnel

The management team of the Group comprises experienced personnel. The day-to-day operations of the Group is overseen by Mr. Lau Kin Wai, who is assisted by the following managers:

Name	Age	Current Position Held
Chong Kam Hoe	27	Vice President, Business Development
Pang Hao Chen	29	Executive Director
Jordan Lim Meng Kee	30	Senior Technical Consultant

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (cont'd)

Chong Kam Hoe, a Malaysian, aged 27, is a co-founder of Viztel who has extensive market knowledge in the regional scene of computer telephony and wireless technology. He is leading Viztel's expansion in China and is responsible for Viztel's business development. With his cross regional connection and experience, Mr. Chong plays a key role in determining and designing Viztel business units that overlook the overseas operations. He graduated with a Master of Science degree in Operations Management, from Manchester University, United Kingdom in 1999 and holds a First Class Bachelor of Engineering (Honours) degree in Electronic and Electrical Engineering, from the University of Leeds, United Kingdom in 1998.

Jordan Lim Meng Kee, a Malaysian, aged 30, is the Senior Technical Consultant of Viztel. Jordan graduated from Monash University, Australia in Computing, majoring in Computer Science and Accounting in 1997. Jordan started as a software engineer in Nt Software Sdn Bhd where he obtained extensive knowledge in web applications development in Java and various Microsoft Technologies. Jordan was with Nt Software Sdn Bhd from 1998 to 2001. Jordan joined Viztel in 2001 and currently, his role in Viztel is to provide consultancy services and also lead a team of software developers in developing and enhancing T-Cube, Viztel's multi-protocol telephony gateway.

8.5.1 Directorships in Other Public Companies

None of the abovementioned key management and technical personnel of Viztel has held directorships in other public companies during the last two (2) years.

8.5.2 Substantial Shareholdings in Other Public Companies

None of the abovementioned key management and technical personnel of Viztel has had substantial shareholdings (5% or more), whether direct or indirect, in other public companies during the last two (2) years.

8.6 Involvement of Executive Directors and Key Management and Technical Personnel in other business/corporation

None of the executive Directors or key management and technical personnel is involved in other business/corporations.

8.7 Declaration by the Directors, Key Management/Technical Personnel

None of the Directors, or key management / technical personnel of Viztel have been involved in any of the following events, whether in or outside of Malaysia:

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was director or key personnel;
- (ii) Charged and/or convicted in a criminal proceeding or is named subject of a pending criminal proceeding; and
- (iii) Subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

8. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(cont'd)*

8.8 Relationships and Associates

Abdul Farish bin Abd Rashid, the Non-Independent Non-Executive Chairman of Viztel, is the nephew of Datin Siti Rubiah Binti Datuk Samad, a substantial shareholder and Director of PFSB.

Save for the abovementioned relationship, there are no family or business relationships amongst the substantial shareholders, Promoters, Directors and key management and technical personnel of the Group.

8.9 Service Agreements

Save as disclosed below, there are no other existing or proposed service agreements between Viztel and its Directors and key management personnel / technical personnel:

Name	Service Agreement	Salient terms
Lau Kin Wai	Service contract dated 3 April 2002 in relation to the employment of Lau Kin Wai as the CEO of Viztel commencing on 3 April 2002	<ul style="list-style-type: none"> To be in Viztel's employment for a minimum continuous period of three (3) years from the date of the contract Either party may terminate the contract by giving the other six (6) months' prior notice in writing
Pang Hao Chen	Service contract dated 3 April 2002 in relation to the employment of Pang Hao Chen as the Vice President, Finance and Administration of Viztel commencing on 3 April 2002	<ul style="list-style-type: none"> To be in Viztel's employment for a minimum continuous period of three (3) years from the date of the contract Either party may terminate the contract by giving the other six (6) months' prior notice in writing
Chong Kam Hoe	Service contract dated 3 April 2002 in relation to the employment of Chong Kam Hoe as the Vice President, Operations commencing on 3 April 2002	<ul style="list-style-type: none"> To be in Viztel's employment for a minimum continuous period of three (3) years from the date of the contract Either party may terminate the contract by giving the other six (6) months' prior notice in writing

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9. SUMMARY OF 5-YEAR BUSINESS DEVELOPMENT PLAN

The following is a summary of the Five (5)-Year Business Development Plan prepared by the Board of Viztel for the purpose of inclusion in this Prospectus.

- Business Focus** The Viztel Group will position itself as a telecommunication solutions specialist offering a range of computer telephony products and services. The Group's integrated products and services allow telcos and businesses to offer informational and transactional services to their customers over the telephone and other messaging devices using computer telephony technology.
- The Viztel Group will focus on enhancing product innovation in order to expand into the regional telecommunication market.
- R&D** The Viztel Group has been continuously investing a significant portion of its resources in R&D. The Viztel Group will harness and leverage its pool of engineering skills, knowledge base and technical know how in the telecommunication field to create a strong R&D base as a platform for the Group's future growth and expansion.
- The Group will seek to create innovative next-generation telco solutions to ride on the growth of ICT usage and trends such as 3G and packet-based voice services.
- The R&D plan of the Group for the next five (5) years include:
- Short to mid-term
- R&D on telecommunication value added services technologies such as call conferencing
 - R&D on Linux-based telephony gateway technologies
- Mid to long term
- R&D on voice portal technologies, allowing seamless integration of information and transactions over the telephone.
- Human Resource Development** The Group will continue to build on the strength of its human resource capital through the recruitment of skilled personnel and investment in training and development programmes for employees.
- The Group's five (5) year human resource development plan includes expanding its base of skilled personnel to include expertise in other related technical fields to undertake the Group's R&D projects.
- Marketing** The Group will develop its business and customer base further by aggressively promoting and marketing the Group's integrated service offering.
- The Group's marketing strategies for the next five (5) years include:
- Continuous expansion in China, via strategic joint ventures or partnerships;
 - Penetrating newly deregulated telecommunication markets in the region such as Vietnam and Indonesia;
 - Continuous participation in local and foreign trade expositions, particularly trade shows which attract participants from the industry, to increase its market presence and visibility;
 - Cross-sell its services via strategic tie-ups with multinational companies;
 - Establish a distribution and logistics network; and
 - Penetrate new industry segments such as the airlines and financial services industry.

10. APPROVALS AND CONDITIONS

10.1 Conditions on Approvals

Viztel's Listing was approved by the SC vide its letter dated 1 June 2004 and Bursa Malaysia vide its letters dated 2 June 2004 and 17 June 2004. The approval letter from Bursa Malaysia dated 17 June 2004 imposed no conditions. The approval letters from the SC and Bursa Malaysia dated 1 June 2004 and 2 June 2004 contained the following conditions:

Authority	Details on conditions imposed	Status of compliance
SC	Viztel should disclose the status of the utilisation of the listing proceeds in its quarterly and annual reports until the proceeds are fully utilised.	Will be complied with
Bursa Malaysia	<p>1. Viztel to implement the Conversion of RCPS-A and RCPS-B and Issuance of Shares to Employees prior to the issuance of the prospectus;</p> <p>2. Viztel to make a detailed disclosure in its prospectus of the following:</p> <ul style="list-style-type: none"> • The risk associated to the highly competitive market and mitigating factors taken/to be taken by the Group; • Actions taken by the Group to address the competitiveness in the industry; • The list of direct competitors of the Viztel Group who have successfully integrated various communications channels into a single platform as Viztel; • Viztel's market share for its respective products in the area where it operates; • The risk associated with the Group's business activities which relies on contracts with customers and mitigating factors taken/to be taken by the Group; • Impact on the Group's future financial performance in the event that Viztel Group fails to secure future contracts; • Efforts made to increase its customer base; and • All new secured contracts as at the most applicable date. 	<p>Complied with. The Conversion of RCPS-A and RCPS-B was completed on 19 June 2004 and the Issuance of Shares to Employees was completed on 18 June 2004.</p> <p>Complied with. Please refer to Section 4.2 and 4.4 of this Prospectus.</p> <p>Complied with. Please refer to Section 4.2 and 4.4 of this Prospectus.</p> <p>Complied with. Please refer to Section 6.18 of this Prospectus.</p> <p>Complied with. Please refer to Section 6.15 of this Prospectus.</p> <p>Complied with. Please refer to Section 4.7 of this Prospectus.</p> <p>Complied with. Please refer to Section 4.7 of this Prospectus.</p> <p>Complied with. Please refer to Section 4.7 of this Prospectus.</p> <p>Complied with. Please refer to Section 6.17 of this Prospectus.</p>

10. APPROVALS AND CONDITIONS (cont'd)

Authority	Details on conditions imposed	Status of compliance
	<p>3. Viztel Group to disclose in the prospectus the ageing analysis based on the Group's latest audited trade receivables including credit control measures to be undertaken to mitigate the risk of bad and doubtful debts and to make full provision for trade receivables outstanding that has exceeded the normal credit period granted, unless it can be justified that the outstanding amount can be collected. The said justification must also be disclosed in the prospectus;</p>	<p>Complied with. Please refer to Section 5.3 of this Prospectus.</p>
	<p>4. Viztel to inform Bursa Malaysia on the appointment of independent directors and to provide confirmation that they qualify as independent directors as defined in the Listing Requirements of Bursa Malaysia for the MESDAQ Market; and</p>	<p>Complied with. Alliance on behalf of Viztel had written to Bursa Malaysia on 22 June 2004 enclosing the confirmation from the Independent Directors.</p>
	<p>5. Viztel to include a negative statement in its prospectus on the exclusion of profit forecast and projections from the prospectus and the reason thereof.</p>	<p>Complied with. Please refer to Section 5.6 of this Prospectus.</p>

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10. APPROVALS AND CONDITIONS (cont'd)**10.2 Moratorium on the Disposal of Promoters' Shares**

It is a requirement in the Listing Requirement of the MESDAQ Market held by the Promoters amounting to 45% of the nominal issued and paid-up capital of the Company at the date of admission of the Company to the Official List of Bursa Malaysia (assuming the exercise of all ESOS Options) be placed under moratorium. The shareholdings of the Promoters in Viztel which are subject to moratorium are as follows:

Promoter	No. of Shares Under Moratorium	% of enlarged share capital after the Public Issue	% of enlarged share capital after the Public Issue and full exercise of ESOS Options
MVCC	9,339,290	16.98	13.61
PFSB	5,894,980	10.72	8.57
Lau Kin Wai	2,759,640	5.02	4.01
Pang Hao Chen	2,759,620	5.02	4.01
Chong Kam Hoe	2,759,640	5.02	4.01
SJAM	5,894,980	10.72	8.57
Techpacific	1,529,350	2.78	2.22
	30,937,500	56.26	45.00

The moratorium has been fully accepted by the Promoters. They will not be allowed to sell, transfer or otherwise dispose of any of their Shares placed under moratorium within one (1) year from the date of admission of Viztel to the Official List of the MESDAQ Market. Thereafter, they are permitted to sell, transfer or otherwise dispose of up to maximum of one-third per annum on a straight-line basis of their respective shareholding in Viztel which is under moratorium.

The restriction is specifically endorsed on the notices of allotment representing the respective shareholdings of the substantial shareholders/Promoters which are under moratorium to ensure that the Company's Registrars shall not register any transfer not in compliance with the above restriction.

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