



VIZTEL SOLUTIONS BERHAD (489232-W)

QUARTERLY REPORT

On consolidated results for the second quarterly ended 30 September 2009

The figures have not been audited.

Unaudited Condensed Consolidated Income Statement for the second quarter ended 30 September 2009

	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Revenue	A9	192	590	192	674
Cost of Sales		(88)	(589)	(88)	(597)
Gross Profit		<u>104</u>	<u>1</u>	<u>104</u>	<u>77</u>
Other income		-	359	-	517
Administrative expenses		(100)	(798)	(665)	(1,692)
Finance costs		-	-	(1)	-
Profit/Loss before taxation	A9	<u>4</u>	<u>(438)</u>	<u>(562)</u>	<u>(1,098)</u>
Taxation	B5	-	-	(1)	-
Profit/Loss after taxation		<u>4</u>	<u>(438)</u>	<u>(563)</u>	<u>(1,098)</u>
Minority interests		-	-	-	-
		<u>4</u>	<u>(438)</u>	<u>(563)</u>	<u>(1,098)</u>
Earnings/Loss per share (sen)	B13				
(a) Basic		<u>0.0</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>(1.8)</u>

Notes:

1 The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)

Unaudited Condensed Consolidated Balance Sheet

	Note	Unaudited As at end of current quarter ended 30 Sept 2009 RM'000	Audited As at preceding financial year ended 31 Dec 2008 RM'000
Plant and equipment	A10	230	259
Current assets			
Trade receivables		419	447
Other receivables		279	280
Fixed deposits with licensed banks		152	152
Cash and cash equivalents		59	45
		<u>908</u>	<u>924</u>
Current liabilities			
Trade payables		137	265
Other payables		1,047	1,056
Amount due to Directors		1,333	717
Deferred Income		63	-
Tax payable		31	31
		<u>2,611</u>	<u>2,070</u>
Net current liabilities		(1,703)	(1,146)
		<u>(1,473)</u>	<u>(887)</u>
Financed by:			
Share Capital and Reserves			
Share capital		6,050	6,050
Reserves		<u>(7,523)</u>	<u>(6,937)</u>
		(1,473)	(887)
Non-current Liabilities			
		-	-
		<u>(1,473)</u>	<u>(887)</u>
		RM	RM
Net liabilities per share		<u>(0.02)</u>	<u>(0.01)</u>

Note :

1 The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)

Unaudited Condensed Consolidated Statement of Changes in Equity For The Second Quarter Ended 30 September 2009

Group	Note	Share Capital	Non Distributable Share premium	Foreign exchange translation reserve	Distributable Accumulated losses	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
(Audited)						
At 1 January 2008		6,050	9,031	(165)	(11,181)	3,735
Foreign exchange translation difference		-	-	133	-	133
Negative goodwill derecognised - effects on adoption of FRS 3		-	-	-	-	-
Net profit/loss for the period		-	-	-	(4,755)	(4,755)
At 31 December 2008		<u>6,050</u>	<u>9,031</u>	<u>(32)</u>	<u>(15,936)</u>	<u>(887)</u>
(Unaudited)						
At 1 January 2009		6,050	9,031	(32)	(15,936)	(887)
Foreign exchange translation difference		-	-	(23)	-	(23)
Net profit/loss for the period		-	-	-	(563)	(563)
At 30 September 2009		<u>6,050</u>	<u>9,031</u>	<u>(55)</u>	<u>(16,499)</u>	<u>(1,473)</u>

Note :

1 The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)

Unaudited Condensed Consolidated Cash Flow Statement For The Second Quarter Ended 30 Sept 2009

	Unaudited 9 months ended 30 Sept 2009 RM'000	Audited 12 months ended 31 Dec 2008 RM'000
Net cash used in operating activities	(465)	(173)
Net cash (used in) / generated from investing activities	(1)	34
Net cash generated from financing activities	503	98
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>37</u>	<u>(41)</u>
Effects of exchange rates changes	(23)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	197	238
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>211</u></u>	<u><u>197</u></u>
Represented by:		
Cash and bank balances	59	45
Deposits pledged for bank guarantees	152	152
	<u><u>211</u></u>	<u><u>197</u></u>

Note :

- 1 The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2008 accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)
Notes on the quarterly report - 30 September 2009

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the Financial Reporting Standard ("FRS") 134 - Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange") for the ACE Market, and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2008. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the financial year ended 31 December 2008.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2008.

The Group has not adopted FRS 139 - Financial Instruments: Recognition and Measurement as the effective date has been deferred to 1st January 2010.

A3. Auditors' report

The auditor's report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A4. Seasonality or cyclicity of interim operations

The Group's interim operations were not affected by seasonal or cyclical factors.

A5. Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6. Changes in estimates

There were no changes in the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have had a material effect on the results in the quarter under review.



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A7. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review.

A8. Dividends

No dividend has been declared or paid during the period under review.

A9. Segmental reporting

	Individual quarter ended 30 Sept 2009		Cumulative quarter ended 30 Sept 2009	
	<u>Revenue</u>	<u>Profit before taxation</u>	<u>Revenue</u>	<u>Profit/Loss before taxation</u>
	RM'000	RM'000	RM'000	RM'000
Speech & Telephony Solutions Division	192	4	192	(562)
	<u>192</u>	<u>4</u>	<u>192</u>	<u>(562)</u>
Other income	-	-	-	-
	<u>192</u>	<u>4</u>	<u>192</u>	<u>(562)</u>

A10. Valuation of plant and equipment

There has been no revaluation of plant and equipment during the current quarter under review.

A11. Subsequent material events

There were no other material events subsequent to the end of the quarter under review which is likely to substantially affect the results of the operations of the Company for the quarter under review.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group since the last quarter.

A13. Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities or contingent assets since the last quarter.

A14. Capital Commitment

The Group does not have any capital commitment as at 30 September 2009

A15. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.



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B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of group results for the third quarter ended 30 September 2009

The Group recorded a loss before tax of RM562K. Total income of the group was RM104K meanwhile total expenses was RM666K. The income of the group was mainly contributed from the revenue of Document Management System of RM147K and Professional Test services of RM45K. Total cost of sales was RM88K.

Total expenses consist of salaries of RM466K, professional fees by RM68K, depreciation by RM28K and other expenses by RM112K. This was however offset with creditor written back of RM8K.

B2. Variation of results against the preceding quarter

	Current quarter RM'000	Preceding quarter RM'000
Revenue	192	0
Profit/Loss before tax	4	(283)

For the third quarter ended 30 September 2009, the Group registered a profit before taxation of RM4K, higher than the preceding quarter by RM287K. Increase in profit was due to new project given by the Perlis Government on the Document Management System of RM147K and by MIMOS on the Professional Test Services of RM45K. Due to that the Group incurred cost of sales of RM 88K. Meanwhile other expenses dropped by RM182K.

B3. Prospects for current financial year

The Group is continuously bidding for various government and government link company's (GLC) projects both locally and overseas in relation to the System Integrations projects. The uncertainties surrounding global financial market that has resulted in the weakening of US and EU economies has indirectly contributed to the slow domestic market and directly affects the ICT industry in Malaysia. Most of the tenders and projects have been put on hold until further notification. Barring any unforeseen circumstances, the Directors are cautious the performance of the Group in the next financial year.

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2008 accompanying explanatory notes attached to the financial statements here into.

B4. Profit forecast or profit guarantee

Not applicable as the Group has not previously provided a profit forecast in a public document or a profit guarantee.

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B5. Taxation

	Individual quarter ended 30-Sep-09 RM'000	Individual quarter ended 30 Sept 2008 RM'000	Cumulative quarter ended 30-Sep-09 RM'000	Cumulative quarter ended 30 Sept 2008 RM'000
Within Malaysia				
Prior Year Tax	-	-	(1)	-
Deferred taxation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>

No taxation was provided in the accounts as the Company incurred a loss during the quarter under review. However the Group has paid RM974 in regards of prior year tax.

Company was also accorded Multimedia Super Corridor (MSC) status whereby income derived from its operating activities is exempted from taxation. The MSC status expired on 22 August 2005 but was subsequently renewed for another period of five (5) years expiring 22 August 2010.

B6. Sale of unquoted investments and/or properties

There were no disposal of unquoted investments or properties during the period under review.

The Company had on 7th July 2009 executed a share transfer instrument to dispose its 55 ordinary shares of RM1/- each, in the share capital of DFC which constitutes 55% equity interest in the said company, to Encik Hafiz bin Che Abdul Rahman for a consideration of RM55/-.

The reason for the disposal of the above subsidiary is to save maintenance costs as there is no business activity in Defensa Consulting Sdn Bhd.

The disposal is not expected to have any material effect on the earnings and net assets of Viztel. The disposal has no effect on the issued and paid-up share capital and substantial shareholders of Viztel.

None of the directors and major shareholders of the Company or persons connected with them has any interest, direct or indirect, in the aforesaid transaction.

B7. Quoted and marketable securities

The Company/Group does not hold any quoted or marketable securities as at 30 September 2009. There were no purchases or disposals of quoted securities for the current quarter.

B8. Status of corporate proposals

(a) Corporate Proposals

There were no corporate proposals announced.

Corporate Proposals

There were no corporate proposals announced.

B9. Group borrowings and debt securities

The Group has no borrowings as at 30 September 2009.

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B11. Material litigation

Save for the following, the Directors are not aware of any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 30 September 2009.



VIZTEL SOLUTIONS BERHAD (489232-W)

Notes on the quarterly report - 30 September 2009

Viztel Solutions Berhad ("VSB") versus Allied Interactive Sdn Bhd ("Allied Interactive")

Nature : Recovery of debts of RM200,000 for services rendered.

The company has conducted search with the Companies Commission of Malaysia on Allied Interactive Sdn Bhd (hereinafter referred as Allied) to locate the business address of Allied. Company solicitors as well as Allied's solicitor are unable to locate the company at the business address. They have informed the High Court of the situation.

In view of the above, company solicitor advised to execute the Judgement against Allied viz Winding-Up Petition instead of Writ of Seize and Seizure.

B11. Material litigation (Continued)

TT dotCom Sdn Bhd ("TTDC") versus VSB

Nature : Writ of Summons on dispute services provided under the Strategic Alliance Agreement (Global IP)

The Company had on 4 April 2006 been served a writ of summons (Suit No. S622-212) ("Writ of Summons") by TTDC claiming a sum of RM1,405,693.10 plus interest at the rate of 8% per annum from 14 October 2005 to final settlement for services allegedly provided by them pursuant to a Strategic Alliance Agreement (Global IP) which was entered into between SmartDial International Sdn Bhd ("Smartdial"), a former subsidiary of VSB, with TTDC. The Writ of Summons was filed at the Kuala Lumpur High Court of Malaysia, naming VSB as the first defendant; Smartdial as the second defendant; and three (3) VSB officers (former directors of Smartdial prior to the disposal of the latter) as the third, fourth and fifth defendants.

The Statement of Defence was filed on 3 May 2007 and the case is fixed for a Pre-trial Case Management on 22 May 2008 before the Judge. On 12 Feb 09, the court directed both parties to finalize the agreed facts and issues before Trial.

Pre Trial Case Management has been rescheduled to a later date after the last sitting on 1 September 2009 for all the parties concern to comply with court's directions as to filing of Affidavit Verifying List of Documents, Opening Statement by the Plaintiff counsel and Witnesses Statement.

The Directors refute the claims and have appointed a legal counsel to vigorously defend the Company's interest. A defence has been filed for the above claims together with an application to strike out the claims against the Directors.

Discussion has been made on the summons between TTDC and VSB.

B12. Dividends

The Directors do not recommend the payment of a dividend in respect of the current financial year.



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B13. Earnings/Loss per share ("EPS")

	Individual quarter ended 30 Sept 2009	Individual quarter ended 30 Sept 2008	Cumulative quarter ended 30 Sept 2009	Cumulative quarter ended 30 Sept 2008
Basic EPS				
Profit/Loss for the period (RM'000)	4	(438)	(563)	(1,098)
Weighted average number of ordinary shares in issue ('000)	60,500	60,500	60,500	60,500
Basic EPS (sen)	<u>0.0</u>	<u>(0.7)</u>	<u>(0.9)</u>	<u>(1.8)</u>

Basic EPS is calculated by dividing the net profit or loss for the period in review by the weighted average number of ordinary shares in issue during the period.

There were no potential dilutive components in the shareholdings of the Company as at 31 December 2008 and 30 September 2009.