



## VIZTEL SOLUTIONS BERHAD (489232-W)

### QUARTERLY REPORT

On consolidated results for the first quarterly ended 31 March 2010

The figures have not been audited.

#### Unaudited Condensed Consolidated Income Statement for the first quarter ended 31 March 2010

	Note	Individual Quarter ended		Cumulative Quarter ended	
		31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
<b>Revenue</b>	<b>A9</b>	100	-	100	-
Cost of Sales		(69)	-	(69)	-
<b>Gross Profit</b>		<u>31</u>	<u>-</u>	<u>31</u>	<u>-</u>
Other income		-	-	-	-
Administrative expenses		(225)	(284)	(225)	(284)
Marketing and distribution expenses		-	-	-	-
Other operating expenses		(191)	-	(191)	-
Finance costs		-	-	-	-
<b>Loss before taxation</b>	<b>A9</b>	<u>(384)</u>	<u>(284)</u>	<u>(384)</u>	<u>(284)</u>
Taxation	<b>B5</b>	(8)	-	(8)	-
<b>Loss after taxation</b>		<u>(392)</u>	<u>(284)</u>	<u>(392)</u>	<u>(284)</u>
Minority interests		-	-	-	-
		<u>(392)</u>	<u>(284)</u>	<u>(392)</u>	<u>(284)</u>
<b>Loss per share (sen)</b>	<b>B13</b>				
(a) Basic		<u>(0.6)</u>	<u>(0.5)</u>	<u>(0.65)</u>	<u>(0.5)</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 2009 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 31 March 2010 RM'000	Audited As at preceding financial year ended 31 Dec 2009 RM'000
<b>Plant and equipment</b>		-	155
<b>Deferred development costs</b>		-	-
<b>Intangible asset</b>		-	-
<b>Current assets</b>			
Trade receivables		276	332
Other receivables		119	191
Tax Refundable		3	3
Cash and cash equivalents		45	54
		442	580
<b>Current liabilities</b>			
Trade payables		118	131
Other payables		1,184	1,152
Amount due to a shareholder		45	45
Amount due to Directors		1,327	1,232
Tax payable		39	31
		2,714	2,591
Net current liabilities		(2,272)	(2,011)
		(2,272)	(1,856)
<b>Financed by:</b>			
<b>Share Capital and Reserves</b>			
Share capital		6,050	6,050
Reserves		(8,322)	(7,906)
		(2,272)	(1,856)
<b>Minority interests</b>		-	-
		(2,272)	(1,856)
<b>Non-current Liabilities</b>			
Long term borrowings	B9	-	-
Deferred taxation		-	-
		(2,272)	(1,856)
		RM	RM
Net liabilities per share		(0.038)	(0.031)

**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 2009 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 First Quarter Ended 31 March 2010**

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
<b>(Audited)</b>						
<b>At 1 January 2009</b>		6,050	9,031	(32)	(15,936)	(887)
Foreign exchange translation difference		-	-	(41)	-	(41)
Net loss for the period		-	-	-	(928)	(928)
<b>At 31 December 2009</b>		<u>6,050</u>	<u>9,031</u>	<u>(73)</u>	<u>(16,864)</u>	<u>(1,856)</u>
<b>(Unaudited)</b>						
<b>At 1 January 2010</b>		6,050	9,031	(73)	(16,864)	(1,856)
Foreign exchange translation difference		-	-	(24)	-	(24)
Net loss for the period		-	-	-	(392)	(392)
<b>At 31 March 2010</b>		<u>6,050</u>	<u>9,031</u>	<u>(97)</u>	<u>(17,256)</u>	<u>(2,272)</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 2009 and the accompanying explanatory notes attached to the financial statements hereto.



**VIZTEL SOLUTIONS BERHAD (489232-W)**

**Unaudited Condensed Consolidated Cash Flow Statement For The First Quarter Ended 31 March 2010**

	<b>Unaudited 12 months ended 31 March 2010 RM'000</b>	<b>Audited 12 months ended 31 Dec 2009 RM'000</b>
Net cash used in operating activities	(81)	(704)
Generated from investing activities	-	2
Net cash generated from financing activities	95	560
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>14</u>	<u>(142)</u>
Effects of exchange rates changes	(24)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	54	196
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>45</u></u>	<u><u>54</u></u>
<b>Represented by:</b>		
Cash and bank balances	<u>45</u>	<u>54</u>
	<u><u>45</u></u>	<u><u>54</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 2009 accompanying explanatory notes attached to the financial statements hereto.



**VIZTEL SOLUTIONS BERHAD (489232-W)**  
**Notes on the quarterly report - 31 March 2010**

**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 2009. 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 2009.

**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 2009 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRS and Interpretations by the Group with effect from 1 January 2010.

**FRSs/IC**

FRS 7 Financial Instruments: Disclosures

Revised FRS 101 (2009) Presentation of Financial Statements

Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 7, FRS 139 and IC Interpretation 9

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

Annual Improvements to FRSs (2009)

The adoption of the new and revised FRSs, Amendments to FRSs and IC interpretation that are applicable to the Group effective from 1 January 2010 has no material effect to the Group's consolidated financial statement during the year or to the prior financial year.

**A3. Auditors' report**

The auditor's report on the financial statements for the financial year ended 31 December 2009 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.



**VIZTEL SOLUTIONS BERHAD (489232-W)**  
**Notes on the quarterly report - 31 March 2010**

**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 31 March 2010		Cumulative quarter ended 31 March 2010	
	<u>Revenue</u> RM'000	<u>Loss before taxation</u> RM'000	<u>Revenue</u> RM'000	<u>Loss before taxation</u> RM'000
Speech & Telephony Solutions Division	100	(384)	100	(384)
	<u>100</u>	<u>(384)</u>	<u>100</u>	<u>(384)</u>
Other income	-	-	-	-
	<u>100</u>	<u>(384)</u>	<u>100</u>	<u>(384)</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**

On 12 January 2010, the Company announced M & A Securities Sdn. Bhd. ("M&A Securities") had been appointed to act as Sponsor to the Company pursuant to Rule 8.04(3)(a)(ii) of Bursa Malaysia Securities Berhad's ACE Market Listing Requirements. Subsequently, On 1 March 2010, M&A Securities announced that the Company had entered into a conditional definitive agreement ("Definitive Agreement") with Leinet Technology Berhad ("Leinet" or the "Vendor") to undertake a series of proposals to regularize the financial condition of Viztel including inter-alia, an acquisition of a new viable business i.e. Syscotech Sdn Bhd ("Syscotech") by a special purpose vehicle to be incorporated ("Newco"), an exchange of shares in Viztel for new shares in Newco, a fund raising exercise by Newco and the transfer of Viztel's listing status to Newco.

On 8 March 2010, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had granted an extension of time up to 8 May 2010 for Viztel to submit its regularization plan to the relevant authorities for approval. However, in view of the various due diligence documentation still required for submission, the Company had on 4 May 2010 submitted an application to Bursa Securities for a further extension of time up to 8 June 2010 to submit the Company's regularization plan to the relevant authorities

Bursa Securities had vide its letter dated 24 May 2010 granted an extension of time up to 8 June 2010 for Viztel to submit its regularisation plan to the relevant authorities for approval.

**A12. Changes in the composition of the Group**

Viztel Solutions (S) Pte Ltd (VSSPL), a 100% owned subsidiary of the Company, was struck-off on 4 February 2010. The Company had arranged for VSSPL to be struck-off as VSSPL was inactive.

**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 31 March 2010.

**A15. Significant Related Party Transactions**

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



## VIZTEL SOLUTIONS BERHAD (489232-W)

### Notes on the quarterly report - 31 March 2010

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

##### B1. Review of group results for the first quarter ended 31 March 2010

The Group recorded approximately RM 99,700 in revenue for the quarter ended 31 March 2010, mainly contributed from the revenue of Professional Test services. The Group recorded a loss before taxation of RM 384,086 during the quarter as the Group incurred additional costs for its restructuring scheme as well as the write-off of equipments.

##### B2. Variation of results against the preceding quarter

	<u>Current quarter</u> RM'000	<u>Preceding quarter</u> RM'000
Revenue	100	118
(Loss) before tax	(384)	(163)

For the first quarter ended 31 March 2010 the Group registered a loss before taxation of RM 384,086 lower than that of the preceding quarter of loss of approximately RM 163,000. The decline in terms of revenue coupled with higher costs for the restructuring scheme in particular, resulted in further losses for the quarter under review.

##### B3. Prospects for current financial year

Moving forward, the Board of Directors of Viztel is committed in executing the regularization plan as announced as well as securing all the necessary approvals from the relevant authorities.

The Board is confident that the new structure after the regularization will strengthen the Company and increase the value to its shareholders. The Company will still maintain its prudent approach to business management and continue to adopt measures focusing on stringent cost containment, continuous improvements in the Company's operational efficiency and effectiveness as well as prudent management of head count and close monitoring of staff performance.

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009 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.



## VIZTEL SOLUTIONS BERHAD (489232-W)

### Notes on the quarterly report - 31 March 2010

#### B5. Taxation

	Individual quarter ended 31-Mar-10 RM'000	Individual quarter ended 31-Mar-09 RM'000	Cumulative quarter ended 31-Mar-10 RM'000	Cumulative quarter ended 31-Mar-09 RM'000
Within Malaysia				
Prior Year Tax	8	-	8	-
Deferred taxation	-	-	-	-
	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>

No taxation was provided in the accounts as the Company incurred a loss during the quarter under review.

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.

#### B7. Quoted and marketable securities

The Company/Group does not hold any quoted or marketable securities as at 31 March 2010. 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 except for what have been disclosed in Note A 11 above.

#### B9. Group borrowings and debt securities

The Group has no borrowings as at 31 March 2010.

#### 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 31 March 2010.

##### ***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.





## VIZTEL SOLUTIONS BERHAD (489232-W)

### Notes on the quarterly report - 31 March 2010

#### 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.

#### B13. Loss per share ("LPS")

	Individual quarter ended 31 March 2010	Individual quarter ended 31 March 2009	Cumulative quarter ended 31 March 2010	Cumulative quarter ended 31 March 2009
<b>Basic LPS</b>				
Loss for the period (RM'000)	(392)	(284)	(392)	(284)
Weighted average number of ordinary shares in issue ('000)	60,500	60,500	60,500	60,500
Basic LPS (sen)	<u>(0.6)</u>	<u>(0.5)</u>	<u>(0.6)</u>	<u>(0.5)</u>

Basic LPS 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 2009 and 31 March 2010