



VIZTEL SOLUTIONS BERHAD (489232-W)

QUARTERLY REPORT

On consolidated results for the first quarterly ended 31 March 2011
The figures have not been audited.

Unaudited Condensed Consolidated Statements of comprehensive income for the first quarter ended 31 March 2011

	Note	Individual Quarter ended		Cumulative Quarter ended	
		31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Revenue	A9	26	100	26	100
Cost of Sales		(24)	(69)	(24)	(69)
Gross Profit		<u>2</u>	<u>31</u>	<u>2</u>	<u>31</u>
Other items of income		-	-	-	-
Other items of expenses					
Administrative expenses		(5)	(225)	(5)	(225)
Marketing and distribution expenses		-	-	-	-
Other operating expenses		(19)	(191)	(19)	(191)
Finance costs		-	-	-	-
Loss before taxation	A9	<u>(22)</u>	<u>(384)</u>	<u>(22)</u>	<u>(384)</u>
Taxation	B5	-	(8)	-	(8)
Loss after taxation		<u>(22)</u>	<u>(392)</u>	<u>(22)</u>	<u>(392)</u>
Minority interests		-	-	-	-
		<u>(22)</u>	<u>(392)</u>	<u>(22)</u>	<u>(392)</u>
Loss per share (sen)	B13				
(a) Basic		<u>(0.04)</u>	<u>(0.6)</u>	<u>(0.04)</u>	<u>(0.6)</u>

Notes:

1 The unaudited Statements of comprehensive income should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)

Unaudited Condensed Consolidated Statements of financial position as at 31 March 2011

	Note	Unaudited As at end of current quarter ended 31 March 2011 RM'000	Audited As at preceding financial year ended 31 Dec 2010 RM'000
Assets			
Non-current assets			
Plant and equipment		-	-
Deferred development costs	A16	-	-
Intangible asset	A17	-	-
Current assets			
Trade receivables		46	188
Other receivables		12	31
Tax Refundable		3	3
Cash and cash equivalents		13	16
		<u>74</u>	<u>238</u>
TOTAL ASSETS		74	238
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		17	73
Other payables		639	713
Amount due to shareholders		1,124	1,154
Amount due to Directors		1,210	1,185
Tax payable		-	6
		<u>2,990</u>	<u>3,131</u>
Non-current Liabilities			
Long and borrowings	B9	-	-
Equity attributable to owners of the parent			
Share capital		6,050	6,050
Reserves		<u>(8,966)</u>	<u>(8,943)</u>
		(2,916)	(2,893)
Minority interests		<u>-</u>	<u>-</u>
		74	238
		RM	RM
Net liabilities per share		<u>(0.047)</u>	<u>(1.840)</u>

Note :

1 The unaudited Statements of financial position should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 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 2011

Group	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 2010	6,050	9,031	(73)	(16,863)	(1,855)
Foreign exchange translation difference	-	-	-	-	-
Net loss for the period	-	-	73	(1,111)	(1,038)
At 31 December 2010	<u>6,050</u>	<u>9,031</u>	<u>-</u>	<u>(17,974)</u>	<u>(2,893)</u>
(Unaudited)					
At 1 January 2011	6,050	9,031	-	(17,974)	(2,893)
Net loss for the period	-	-	-	(22)	(22)
At 31 March 2011	<u>6,050</u>	<u>9,031</u>	<u>-</u>	<u>(17,996)</u>	<u>(2,916)</u>

Note :

1 The unaudited Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)

Unaudited Condensed Consolidated Statements of cash flows For The First Quarter Ended 31 March 2011

	Unaudited 3 months ended 31 March 2011 RM'000	Audited 12 months ended 31 Dec 2010 RM'000
Net cash used in operating activities	(29)	(1,062)
Generated from investing activities	-	(39)
Net cash generated from financing activities	26	1,062
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(3)</u>	<u>(39)</u>
Effects of exchange rates changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16	54
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>13</u></u>	<u><u>15</u></u>
Represented by:		
Cash and bank balances	<u>13</u>	<u>15</u>
	<u><u>13</u></u>	<u><u>15</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 2010 accompanying explanatory notes attached to the financial statements hereto.



VIZTEL SOLUTIONS BERHAD (489232-W)
Notes on the quarterly report - 31 March 2011

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 2010. 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 2010.

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 2010 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 2010 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.

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.



VIZTEL SOLUTIONS BERHAD (489232-W)
Notes on the quarterly report - 31 March 2011

A9. Segmental reporting

	Individual quarter ended 31 March 2011		Cumulative quarter ended 31 March 2011	
	<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	26	(22)	26	(22)
	<u>26</u>	<u>(22)</u>	<u>26</u>	<u>(22)</u>
Other income	-	-	-	-
	<u>26</u>	<u>(22)</u>	<u>26</u>	<u>(22)</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

The regularization plan by the Company has been submitted to the Approving Authorities (Bursa Malaysia Securities Berhad and the Securities Commission (Equity Compliance Unit)) on 8 June 2010. The Securities Commission had vide its letter dated 13 July 2010 stated that it has no objections towards the Application and no equity conditions was imposed on Systech Bhd. In addition, Bursa Securities had vide its letter dated 28 January 2011 approved the Proposed Restructuring Scheme (including the admission of Systech to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of ystech of up to 319,250,020 Systech Shares).

On 10 March 2011, the Group had announced that the High Court of Malaya granted an order dated 2 March 2011 which allows the Group to convene the meeting of its shareholders for the purpose of considering and if thought fit, approving with or without modifications, the Proposed Share Exchange, which forms a component of the Proposed Restructuring Scheme.

Subsequently on 1 April 2011, the Group announced that the Court Convened Meeting ("CCM") and Extraordinary General Meeting ("EGM") to be held on 22 April 2011. On 22 April 2011, Viztel's shareholders have approved all resolutions in connection with the Proposed Restructuring Scheme. The trading of Viztel's shares will be suspended with effect from 9.00 a.m. on Thursday, 26 May 2011 to facilitate the implementation of the Share Exchange and the suspension will continue until the admission of Systech to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the new Systech shares to be issued pursuant to the Proposed Restructuring Scheme.

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 31 March 2011.

A15. Significant Related Party Transactions

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

A16. Deferred development costs

At Cost	1,689,364.00
Accumulated impairment losses	<u>(1,689,364.00)</u>
	<u>-</u>

A17. Intangible asset

At Cost	1,200,000.00
Accumulated impairment losses	<u>(1,200,000.00)</u>
	<u>-</u>



VIZTEL SOLUTIONS BERHAD (489232-W)

Notes on the quarterly report - 31 March 2011

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

B1. Review of group results for the first quarter ended 31 March 2011

The Group recorded approximately RM 26,000 in revenue for the quarter ended 31 March 2011, mainly contributed from the revenue of K-Masjid project. The Group recorded a loss before taxation of RM 22,378 during the quarter.

B2. Variation of results against the preceding quarter

	<u>Current quarter</u> RM'000	<u>Preceding quarter</u> RM'000
Revenue	26	86
(Loss) before tax	<u>(22)</u>	<u>(151)</u>

For the first quarter ended 31 March 2011, the Group registered a loss before taxation of RM 22,378 lower than that of the preceding quarter of loss of approximately RM 151,000.

B3. Prospects for current financial year

The Restructuring Scheme is expected to be completed in June 2011 with the listing of and quotation for the Systech shares on the ACE Market of Bursa Malaysia Securities Berhad. Once this is executed, Viztel group would be part of the enlarged Systech Berhad.

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.

B5. Taxation

	<u>Individual quarter ended 31-Mar-11</u> RM'000	<u>Individual quarter ended 31-Mar-10</u> RM'000	<u>Cumulative quarter ended 31-Mar-11</u> RM'000	<u>Cumulative quarter ended 31-Mar-10</u> RM'000
Within Malaysia				
Prior Year Tax	-	8	-	8
Deferred taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>

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

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 2011. 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 2011.

B10. Off balance sheet financial instruments

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



VIZTEL SOLUTIONS BERHAD (489232-W)
Notes on the quarterly report - 31 March 2011

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 2011.

Viztel Solutions Berhad ("VSB") vs 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") vs Viztel Solutions Berhad ("VSB")

The Company has been named as the first defendant in a writ of summons dated 4 April 2008 served by TT DotCom Sdn. Bhd. ("TTDC"). TTDC claimed a sum of RM1,405,693 plus interest at the rate of 8% per annum from 14 October 2005 to final settlement against the Company and four other defendants, including Smartdial International Sdn. Bhd. ("Smartdial") (a former subsidiary of the Group) and certain Directors of the Company for services allegedly provided by them pursuant to a Strategic Alliance Agreement (Global IP) which was entered into between Smartdial with TTDC.

The Statement of Defense was filed on 3 May 2006 and the case was fixed for a pre-trial case management. The case was fixed for case management on 26 May 2010 for parties to finalise the Statement of Agreed Facts and Issues to be Tried, together with the Common Bundles of Documents for the Trial which has yet to be fixed by the Court. The Court subsequently adjourned the case management to 20 September 2010 pending parties complying with case management directions.

The case was then fixed for full trial on 14 and 15 March 2011. Subsequently, the case has been adjourned to a date to be fixed by the Court for decision.

Lau Kin Wai and Pang Hau Chen ("Claimants") vs Viztel Solutions Berhad ("Defendant")

The Claimants brought a constructive dismissal claim against the Company in the Kuala Lumpur Industrial Court. After hearings, the Industrial Court gave an order dated 28 Sept 2010 for the Defendant to pay RM116,000 to the 1st Claimant less statutory deductions, if any; and RM107,000 to the 2nd Claimant less statutory deductions, if any.

Subsequent to this, on 3 November 2010, the Company applied to the High Court for a judicial review at the Kuala Lumpur High Court of the decision made by the Industrial Court and obtained court's leave to file an application for judicial review on 8 December 2010. "Notis Pendengaran Permohonan bagi semakan kehakiman" has been filed on 21 December 2010. The court has fixed the application for judicial review to be heard on 24 March 2011.

The Claimants has now filed a notice of non-compliance to the Industrial Court on 18 November 2010 and the case is set for hearing at the Industrial Court on 7 March 2011. The Company, who is represented by Messrs Aswar Simon & Azhar, will request for a stay of enforcement of the Industrial Court Order pending the disposal of the judicial review application as abovementioned.

Based on the Company's solicitor's advice and upon negotiation, RM178,000 was agreed as out of court settlement and payment was made on 11 April 2011. As the matter arises between the financial year ended 31 December 2010, and upon the discussion with the auditor, the provision for claim were made in finalization of the audited accounts.

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 2011	Individual quarter ended 31 March 2010	Cumulative quarter ended 31 March 2011	Cumulative quarter ended 31 March 2010
Basic LPS				
Loss for the period (RM'000)	(22)	(392)	(22)	(392)
Weighted average number of ordinary shares in issue ('000)	60,500	60,500	60,500	60,500
Basic LPS (sen)	<u>(0.04)</u>	<u>(0.65)</u>	<u>(0.04)</u>	<u>(0.65)</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 2010 and 31 March 2011.