



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

(the figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2011 RM'000	PRECEDING YEAR	CURRENT PERIOD TO-DATE 30.06.2011 RM'000	PRECEDING YEAR
		CORRESPONDING		CORRESPONDING
		QUARTER		PERIOD
	30.06.2010*		30.06.2010*	
	RM'000	RM'000	RM'000	RM'000
Revenue	972	N/A	972	N/A
Cost of sales	(134)	N/A	(134)	N/A
Gross profit	838	N/A	838	N/A
Other income	3	N/A	3	N/A
Administration expenses	(131)	N/A	(131)	N/A
Restructuring expenses	(1,316)	N/A	(1,316)	N/A
Selling and distribution expenses	(77)	N/A	(77)	N/A
Other expenses	(25)	N/A	(25)	N/A
Profit from operations	(709)	N/A	(709)	N/A
Finance cost	(2)	N/A	(2)	N/A
Profit before tax	(710)	N/A	(710)	N/A
Income tax expenses	(2)	N/A	(2)	N/A
Profit after tax	(712)	N/A	(712)	N/A
Attributable to:-				
- Owners of the parent	(712)	N/A	(712)	N/A
- Minority Interest	-	N/A	-	N/A
	(712)	N/A	(712)	N/A
Basic/Diluted earnings per ordinary share (sen)	(0.28)	N/A	(0.28)	N/A

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report.*

*Restructuring expenses are attributable to "one-off" expenses incurred arising from the implementation of the Restructuring Scheme of Viztel Solutions Berhad/Systech Bhd which has been charged to the current quarter's Income Statement. Should the said "one-off" restructuring expenses be excluded, the Group's consolidated profit after taxation for the current quarter should be at approximately RM0.6 million.*

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

*The current period-to-date covers period from 1 April 2011 to 30 June 2011 as explained in Note 2.1 to the interim financial report.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

(the figures have not been audited)

	<b>UNAUDITED AS AT 30.06.2011 RM'000</b>	<b>AUDITED AS AT 31.03.2011* RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	876	-
Development expenditure	2,273	-
Goodwill on consolidation	22,337	-
Investment in subsidiaries	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>25,486</b>	<b>-</b>
<b>CURRENT ASSETS</b>		
Trade receivables	2,402	-
Other receivables, deposits and prepayments	171	107
Current tax assets	40	-
Cash and bank balances	5,373	-
<b>TOTAL CURRENT ASSETS</b>	<b>7,986</b>	<b>107</b>
<b>TOTAL ASSETS</b>	<b>33,472</b>	<b>107</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	25,425	#
Performance contingent consideration reserve	6,500	-
Retained earnings	(714)	(2)
<b>TOTAL EQUITY</b>	<b>31,211</b>	<b>(2)</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	525	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>525</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	18	-
Other payables and accruals	1,447	109
Amount owing to Director	12	-
Borrowings	259	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,736</b>	<b>109</b>
<b>TOTAL LIABILITIES</b>	<b>2,260</b>	<b>109</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,472</b>	<b>107</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>12.28</b>	<b>N/A</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report.*

*\* The latest audited Statement of Financial Position of Systech Bhd as at 31 March 2011 has been presented as the comparative Statement of Financial Position, following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

*# RM2.00 comprising of 20 ordinary shares of RM0.10 each*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

(the figures have not been audited)

**Three Months Financial Period Ended 30 June 2011**

	<-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY----->			TOTAL EQUITY RM'000
	<-----NON-DISTRIBUTABLE----->	PERFORMANCE CONTINGENT CONSIDERATION RESERVE RM'000	<-DISTRIBUTABLE-> RETAINED EARNINGS RM'000	
	ORDINARY SHARES RM'000			
Balance as at 1 April 2011	#	-	(2)	(2)
Issuance of shares pursuant to acquisition of Sycatech Sdn Bhd	17,400	6,500		23,900
Issuance of shares pursuant to the Share Exchange of the entire issued and paid-up share capital of Viztel Solutions Berhad	3,025		-	3,025
Issuance of shares pursuant to a Public Issue	5,000		-	5,000
Total comprehensive income/(loss) for the financial period			(712)	(712)
Balance as at 30 June 2011	25,425	6,500	(714)	31,211

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial report.*

# RM2.00

*The current period-to-date covers period from 1 April 2011 to 30 June 2011 as explained in Note 2.1 to the interim financial report.*



**SYSTECH BHD 897114-T**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

(the figures have not been audited)

	CUMULATIVE QUARTERS	
	CURRENT PERIOD TO-DATE 30.06.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2011* RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive expense	(712)	N/A
Adjustment for non-cash items	1,439	N/A
Operating profit before changes in working capital	727	N/A
Net changes in assets	(269)	N/A
Net changes in liabilities	(70)	N/A
Cash flow from operations	388	N/A
Tax paid	(1)	N/A
Net cash flow from operating activities	387	N/A
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(21)	N/A
Payment for development expenditure	(95)	N/A
Acquisition of subsidiary	1,425	N/A
Interest received	3	N/A
Net cash flow from investing activities	1,312	N/A
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	5,000	N/A
Payment of Restructuring Expenses	(1,316)	N/A
Repayment to financial institutions	(8)	N/A
Interest paid	(2)	N/A
Net cash from financing activities	3,674	N/A
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,373	N/A
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF PERIOD</b>	#	N/A
<b>CASH AND CASH EQUIVALENT AT THE END OF PERIOD</b>	5,373	N/A

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes to the interim financial report.*

# RM2.00

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

*The current period-to-date covers period from 1 April 2011 to 30 June 2011 as explained in Note 2.1 to the interim financial report.*



**SYSTECH BHD 897114-T**  
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## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2011**

### **PART A: REQUIREMENT OF FRS 134 – INTERIM FINANCIAL REPORTING**

#### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year ended 31 March 2011.

#### **2. Significant Accounting Policies**

##### **2.1 FRS 3 Business Combinations**

On 1 March 2010, Leinet Technology Berhad (“Leinet”) and Viztel Solutions Berhad (“Viztel”) had entered into an Original Definitive Agreement to undertake a series of proposals to regularise Viztel’s financial position including inter-alia, an injection of a new viable business into Systech Bhd (“Systech”), a share exchange of shares in Viztel for share in Systech, a fund raising exercise by Systech and the transfer of Viztel’s listing status to Systech (“Restructuring Scheme”).

On 23 April 2010, Systech had entered into an Original Acquisition Sales and Purchase Agreement (“SPA”) with Leinet to acquire the entire equity interest of its subsidiary, Syscatech Sdn. Bhd. (“Syscatech”) for a consideration of RM23,900,000. The SPA was subsequently restated on 17 December 2010 via the Restated Definitive Agreement and Restated Acquisition SPA with Leinet to vary certain terms and conditions. Revision was made to the mode of satisfaction of the consideration where the total consideration of up to RM23,900,000 shall be satisfied as follows:

- (i) An initial consideration of RM17,400,000 shall be satisfied by the issuance of 174,000,000 new Systech ordinary shares of RM0.10 each (“Systech Shares”) at an issue price of RM0.10 per share; and
- (ii) The balance of the consideration of up to RM6,500,000 shall be satisfied by the issuance of new Systech Shares based on the audited Profit After Tax (“PAT”) of Syscatech for each of the financial year ending 31 March 2012 and 2013 in accordance with the following terms (“Deferred Consideration Shares”):
  - (a) Issuance of up to a maximum of 30,000,000 new Systech Shares at an issue price of RM0.10 per share within twelve (12) months from the date of issuance of the audited financial statements of Syscatech for the financial year ending 31 March 2012; and

- (b) Issuance of up to a maximum of 35,000,000 new Systech Shares at an issue price of RM0.10 per share within twelve (12) months from the date of issuance of the audited financial statements of Syscotech for the financial year ending 31 March 2013.
- (iii) In addition to the items (i) and (ii), Leinet also guarantees that Syscotech shall achieve an audited PAT of not less than RM2,500,000 for the financial year ending 31 March 2011 (“Guaranteed Profit”) provided always that the liability of the Company in respect of the Guaranteed Profit shall be limited to the amount of the Guaranteed Profit. The said Guaranteed Profit was met and was announced on 28 July 2011.

Under the provision of FRS 3, Business Combination applies to the proposed acquisition whereby an acquirer shall be identified for all business combinations and the acquirer is defined as the combining entity that obtains control of the other combining entities or businesses.

Under the Restructuring Scheme, the acquirer is deemed to be Syscotech (whose equity interest has been acquired) and Viztel (whose equity interest has been exchanged) is the acquiree as Leinet, being the vendor of Syscotech will control Systech. Under these circumstances, the Restructuring Scheme is considered to represent a reverse acquisition via a special purpose vehicle, Systech.

On 12 July 2011, Systech has also entered into a novation agreement with Viztel and Viztel Systems Sdn Bhd (“VSSB”); a subsidiary of Viztel; for the novation of debts amounting to RM1,333,000 to Systech from Viztel and VSSB.

As such, in accordance with FRS 3 Business Combinations, the consolidated financial statements represents a continuation of the historical financial statements of Systech and the effects of the share exchange of shares in Viztel for shares in Systech and the value of the novation of debts have been accounted for as part of the cost of investment in Syscotech and accordingly:-

- (i) no comparative figures are presented for these statements as Systech, a non-listed public limited liability company, did not make any interim financial reporting prior to the reserve acquisition;
- (ii) the latest audited Statement of Financial Position of Systech as at 31 March 2011 has been presented as the comparative Statement of Financial Position; and
- (iii) under the terms of the Restructuring Scheme, the Deferred Consideration Shares has been disclosed as Performance Contingent Consideration Reserve in the Statement of Financial Position.

## 2.2 Changes in Accounting Policies

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements of Systech for the financial year ended 31 March 2011 except for the adoption of the following new and amended FRS and IC Interpretations with effect from 1 April 2011

FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 1	Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First Time Adopters

Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-Settled Share Based Payment Transactions
FRS 3	Business Combinations (Revised)
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contains a Lease
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
TR 3	Guidance on Disclosures of Transitions to IFRS

Other than the disclosures under the Amendments to FRS 7, the adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group

As at the date of authorisation of the interim financial report, the following standards and interpretations were issued but not yet effective and have not been applied by the Group, which are:-

**Effective from the Date on or after 1 July 2011**

Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

**Effective from the Date on or after 1 January 2012**

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

The Directors expect that the adoption of the other standards and interpretations above will have no significant impact on the financial statements in the period of initial application.

### 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

#### (a) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (b) Impairment of Trade and Other Receivables

The Group makes an impairment loss when there is objective evidence that a financial asset is impaired. Management specifically reviews its receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

### 4. Auditor's Report on Preceding Annual Financial Statements

The independent auditors' report on Systech's annual audited financial statements for the preceding financial year ended 31 March 2011 was not subject to any audit qualification.

### 5. Seasonal and Cyclical Factors

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

### 6. Unusual Items due to their Nature, Size or Incidence

Saved as those arising from the reverse acquisition as explained in Note 2.1 and Restructuring Expenses as set out below, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current financial period under review:-

	CURRENT YEAR QUARTER 30.06.2011 RM'000	CURRENT PERIOD TO-DATE 30.06.2011 RM'000
Profit after tax (RM'000)	(712)	(712)
Restructuring Expenses	1,316	1,316
Profit after tax excluding unusual item	<u>604</u>	<u>604</u>

The Restructuring Expenses were incurred in relation to the Restructuring Scheme as set out in Note 2.1 and are non-recurring in nature.



## 7. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

## 8. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the financial quarter under review other than the issuance of:-

- (i) 174,000,000 new Systech Shares pursuant to the acquisition of Syscatech as described in Note 2.1;
- (ii) 30,250,000 new Systech Shares pursuant to the share exchange of the entire issued and paid-up share capital of Viztel of RM6,050,000 comprising 60,500,000 Viztel ordinary shares of RM0.10 each ("Viztel Shares") for 30,250,000 Systech Shares on the basis of one (1) Systech Share for every two (2) Viztel Shares held; and
- (iii) 50,000,000 new Systech Shares pursuant to the issuance of shares to identified investors at an issue price of RM0.10 per Systech Share.

## 9. Dividends paid

No dividend has been paid in the current financial quarter under review.

## 10. Segmental Reporting

As the Group is principally engaged in providing services of e-business solutions, segment reporting by business segment is not prepared. The segmental results based on geographical segments are as follows:-

### Three Months Financial Period Ended 30 June 2011

	Malaysia RM'000	North Asia RM'000	South East Asia RM'000	Total RM'000
Revenue from external customers	470	231	271	972
Segment assets	31,899	816	757	33,472
Capital expenditure	21	-	-	21

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

## 11. Carrying Amount of Revalued Assets

There were no changes to the valuation of property, plant and equipment during the current financial period under review.

## 12. Significant Material and Subsequent Events

There were no significant material and subsequent events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

### 13. Changes in the Composition of the Group

The details of the acquisition of the entire equity interest in Syscatech are set out in Note 2.1. The acquisition was completed on 20 May 2011 and the Company become the legal holding company of Syscatech.

Pursuant to Restructuring Scheme, the Company has also implemented a share exchange of the entire issued and paid-up share capital of Viztel of RM6,050,000 comprising 60,500,000 Viztel Shares for 30,250,000 Systech Shares on the basis of one (1) Systech Share for every two (2) Viztel Shares held. The share exchange was completed on 3 June 2011 and the Company become the legal holding company of Viztel and its subsidiaries.

On 22 August 2011, the Company has also entered into a Sale and Purchase Agreement with Maslina binti Shamsuddin and Othman bin Ahmad to dispose off its entire equity interest in Viztel for a total cash consideration of RM2.00 only.

There were no other changes in the composition of the Group during the current financial period under review.

### 14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial period under review.

### 15. Capital Commitments

There were no capital commitments during the current financial period under review.

### 16. Significant Related Party Transactions

The Group had the following transactions during the financial period under review with related parties in which certain directors of the Company have substantial financial interest:-

<b>Nature of Transactions</b>	<b>Transaction value based on billings RM'000</b>	<b>Balance outstanding as at 30.06.2011 RM'000</b>
Provision of e-business solutions to a company in which certain Directors of the Company have substantial financial interest	12	56



**SYSTECH BERHAD ("SYSTECH") 897114-T**  
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2011**

**PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**

**16. Review of Performance**

The Group recorded RM0.972 million of revenue in the current quarter under review contributed by Syscotech. The Group has also recorded a profit after taxation of RM0.604 million (before taking into consideration the Restructuring Expenses of RM1.3 million as set out in Note 6).

There were no comparative figures in the preceding financial year as Systech, a non-listed public limited liability company, did not make any interim financial reporting prior to the reverse acquisition as explained in Note 2.1.

**17. Variation of Results against Preceding Quarter**

There was no comparison made against the results of preceding quarter as this is the Group's first quarterly announcement following the completion of the reverse take over exercise undertaken by Systech on the listing status of Viztel as explained in Note 2.1.

**18. Current Year Prospects**

While the Group expects the coming financial year to be full of challenges, the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the financial year ending 31 March 2012.

**19. Variance of Actual Profit from Profit Forecast**

The Group had in its Circular to Shareholders in relation to the Proposed Restructuring Scheme of Viztel dated 30 March 2011 forecast a profit after taxation of RM3.048 million for Syscotech the financial year ending 31 March 2012. The comparison to the results achieved by Syscotech for the current quarter under review is as follows:-

	<b>1st QUARTER ENDED 30.06.2011 RM'000</b>	<b>FORECAST 31.03.2012 RM'000</b>
Revenue	<u>1,689</u>	<u>6,919</u>
Profit before tax	937	3,073
Income tax expenses	(4)	(25)
Profit after tax	<u>933</u>	<u>3,048</u>

Any deviation from the forecast will be discussed in the 4<sup>th</sup> quarter report for the financial year ending 31 March 2012. Barring unforeseen circumstances, the Board of Directors remains optimistic that Syscotech will be able to achieve the forecast profit after taxation for the financial year ending 31 March 2012.

## 20. TAX EXPENSE

	QUARTER 3 MONTHS ENDED 30.06.2011 RM'000	CURRENT PERIOD TO-DATE 30.06.2011 RM'000
Income Tax		
- Malaysian Tax	-	-
- Foreign Tax	2	2
	<u>2</u>	<u>2</u>
Deferred Tax	-	-
	<u>2</u>	<u>2</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as its core subsidiary, Syscatech, was granted Pioneer Status with effect from 23 April 2003, which exempts 100% of its statutory business income from taxation for a period up to five (5) years until 22 April 2008. The Pioneer Status was further extended for another five (5) years until 21 April 2013

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

## 21. Unquoted Investments and Properties

There were no sales of any unquoted investments and/or properties during the financial period under review.

## 22. Quoted Security

There were no purchases or disposals of quoted securities for the current financial period under review.

## 23. Status of Corporate Proposals

Save for the disposal of the entire equity interest in Viztel as set out in Note 13, there were no corporate proposals announced or outstanding as at the date of this Report.

On 15 June 2011, the Company received proceeds of RM5.0 million from the public issue of 50,000,000 new Systech Shares as set out in Note 8, and the proceeds will be utilised in the following manner:

### Utilisation of proceeds from Public Issue

Purpose	Proposed Utilisation RM'000	Actual utilisation as at 18.08.2011 RM'000	Timeframe for utilisation (listed on 15.06.2011) Months	Deviation RM'000	Explanation
Research & development expenses	2,000	275	24	1,725	A
Working capital	1,500	110	24	1,390	A
Estimated expenses relating to the Restructuring Scheme	1,500	1,500	3	-	
TOTAL	<u>5,000</u>	<u>1,885</u>		<u>3,115</u>	

#### Notes:

(A) Proceeds are placed in fixed deposit with a bank and have yet to be utilized.

## 24. Borrowings and Debts Securities

	30.06.2011 RM'000
<b>NON-CURRENT</b>	
<b>SECURED</b>	
Long term loan	425
Hire purchase	100
	<hr/> 525
<b>CURRENT</b>	
<b>SECURED</b>	
Hire purchase	259
	<hr/> 259
	<hr/> <hr/> 784

All the above borrowings are denominated in Ringgit Malaysia.

## 24. Realised and Unrealised Profits/Losses Disclosure

The retained profits/(accumulated losses) as at 30 June 2011 are analysed as follows:-

	30.06.2011 RM'000	31.03.2011 RM'000
Total retained profits/(accumulated losses) of the Company and Subsidiaries		
- Realised	(714)	N/A
- Unrealised	-	N/A
	<hr/> (714)	<hr/> N/A
Less: Consolidated adjustments	-	N/A
Total Group retained profits/accumulated losses)	<hr/> (714)	<hr/> N/A

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

## 25. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this Report.

## 26. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

## 27. Dividends

No dividends have been recommended during the financial period under review.

## 28. Earnings per Share

	CURRENT QUARTER ENDED		CURRENT PERIOD TO-DATE	
	30.06.2011	30.06.2010*	30.06.2011	30.06.2010*
Profit after tax (RM'000)	(712)	N/A	(712)	N/A
Weighted average number of ordinary shares in issue ('000)	254,250	N/A	254,250	N/A
Basic earnings per share (sen)	(0.28)	N/A	(0.28)	N/A

*\* No comparative figures are presented following the reverse take over exercise undertaken by Systech Bhd on the listing status of Viztel Solutions Berhad as explained in Note 2.1 to the interim financial report.*

**By the Order of the Board**

**Company Secretary**

**Dated this 22<sup>nd</sup> Day of August 2011.**