



**UNAUDITED RESULTS FOR  
THE FINANCIAL PERIOD JUNE 30, 2007**

**Notes To The Financial Statements**

**1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2006.

**2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006.

**3. STATUS ON QUALIFIED FINANCIAL STATEMENT**

Not applicable.

**4. SEASONAL OR CYCLICAL FACTORS**

The principal business operations of the Group are not significantly affected by seasonality or cyclical factors.

**5. UNUSUAL ITEMS**

Other than disclosed in the financial statement, there were no unusual items affecting the financial statement for the financial period under review.

**6. CHANGES IN ESTIMATES**

There were no significant changes in estimates that materially affect the financial statements for the financial period under review.



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**7. DEBTS AND EQUITY SECURITIES**

There were no repayment and issuance of debt securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares for the financial period under review.

**8. DIVIDENDS PAID**

In respect of financial year ended 31 December 2005, an interim dividend of 5% less 28% taxation was paid on April 10, 2006 for the amount of RM3,600,000 (3.60 sen per share) and a final dividend of 5% less 28% taxation was paid on August 2, 2006 for the amount of RM5,040,000 (5.04 sen per share).

During the last Annual General Meeting, the shareholders have approved a final dividend in respect of the financial year ended 31 December 2006, of 7% less 27% taxation on 100,011,500 ordinary shares, amounting to a dividend payable of RM5,110,588 (RM5.11 sen per ordinary share). The dividend was paid on August 3, 2007.

No other dividend in respect of current financial period was paid out in the financial period under review.

**9. SEGMENTAL REPORTING**

The segmental reporting is disclosed separately for the bulk mailing outsourcing contribution and television content services, which arises from the acquisition of Inter-City MPC Sdn Bhd on July 29, 2004 and Electronic Media Airtime Services Sdn Bhd. (EMAS) which was acquired on 29 December 2006. The segmental reporting by business segment is reflected below:

As at 30 June 2007	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
<b>REVENUE</b>					
Group total	129,883	20,388	8,670	(698)	158,243
Inter-segment sales	-	-	-	-	-
External	129,883	20,388	8,670	(698)	158,243
<b>RESULT</b>					
Profit for the period	2,336	1,640	1,340	728	6,044



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**10. VALUATION OF PROPERTY, PLANT & EQUIPMENT**

There is no valuation of property, plant and equipment as reported in the annual financial statement for the financial period ended June 30, 2007.

**11. SUBSEQUENT EVENT**

There was no material event subsequent to the financial period under review.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no material changes to the composition of the Group in the current financial period under review.

**13. CAPITAL COMMITMENT**

The amount of commitments for purchase of property, plant & equipment not provided for in the interim financial statements as at June 30, 2007 is as follows:

	<b>Unaudited Financial Period <u>30/6/07</u> RM'000</b>
Approved and contracted for	<u>31,667</u>
Approved but not contracted for	<u>14,198</u>

**14. CONTINGENT LIABILITIES**

There were no contingent liabilities for the Group as at August 23, 2007 being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

**15. REVIEW OF PERFORMANCE**

The Group has recorded a revenue of RM158,243,000 for the financial period ended June 30, 2007, an increase of RM6,165,000 or 4% relative to the previous financial period ended June 30, 2006. The increase in revenue was mainly attributable to a newly acquired subsidiary, EMAS and managed data center services for the current period, compensating lower revenue contribution from the system integration business.

*This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial period ended 30/6/2007.*



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The Group recorded profit before taxation of RM8,649,000 for the financial period ended June 30, 2007, a decrease of RM238,000 or 3% relative to the financial period ended June 30, 2006. The decrease was mainly due to lower contribution from subsidiaries.

The Group further recorded a net profit attributable to shareholders of RM6,044,000 for the financial period ended June 30, 2007. This represents a slight increase of 0.1% relative to the previous financial period ended June 30, 2006 as a result of lower taxation due to lower statutory tax rate at 27% for the year 2007.

**16. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

In comparison with the preceding quarter (quarter ended March 31, 2007), there was an increase in consolidated revenue of 9% from RM75,651,000 to RM82,592,000. However profit before taxation has decreased from RM5,356,000 to RM3,293,000 in the current quarter (quarter ended June 30, 2007) mainly due to further reduction in a subsidiary's contribution which consequently decreases the net profit attributable to shareholders of the parent from RM3,548,000 in the preceding quarter to RM2,355,000 in the current quarter.

**17. PROSPECTS IN THE CURRENT FINANCIAL YEAR**

The Group expects to remain profitable in the current financial year by focusing on its core businesses.

**18. VARIANCE ON FORECAST PROFIT**

Not Applicable.



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**19. TAXATION**

The taxation of the Group for the financial period under review was as follows:-

	<b>Current Quarter <u>30/6/2007</u> RM'000</b>	<b>Accumulated Current Year <u>30/6/2007</u> RM'000</b>
Current Taxation	<u>1,267</u>	<u>2,605</u>

**20. PROFIT ON SALE OF INVESTMENT**

There were no profits on sale of investment and/or investment properties for the financial period under review.

**21. QUOTED SECURITIES**

There were no acquisitions or disposal of quoted securities for the financial period under review.

**22. CORPORATE DEVELOPMENTS**

There were no corporate developments during the financial period under review.



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**23. GROUP BORROWINGS AND DEBT SECURITIES**

As at June 30, 2007, the Group has the following borrowings which are denominated in Ringgit Malaysia from a local financial institution:-

	<b>Total RM'000</b>
<b>Secured:</b>	
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	201
Other short term borrowings due within 12 months	48,840
	<u>49,041</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,388
Other long term borrowings due after 12 months	15,861
	<u>18,249</u>
Total	<u>67,290</u>

**24. OFF BALANCE SHEET FINANCIAL INSTRUMENT**

The Group does not have any financial instruments with off balance sheet risk as at August 23 2007, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

**25. MATERIAL LITIGATION**

The Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant as at August 23, 2007, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

**26. PROPOSED DIVIDEND**

There are no dividends proposed in respect of the current financial year during the financial period under review.



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**27. EARNINGS PER SHARE**

	<b>Current Quarter <u>30/6/2007</u></b>	<b>Accumulated Current Year <u>30/6/2007</u></b>
<b>a) Basic</b>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	2,355	5,903
Number of ordinary shares issued at beginning of the year	100,011,500	100,011,500
Weighted average number of ordinary shares in issue	100,011,500	100,011,500
<b>Basic earnings per share (sen)</b>	<u>2.36</u>	<u>5.90</u>

**28. SIGNIFICANT EVENTS**

- i. On 15 June 2007, the Company has announced final dividend of 7% less 27% taxation in respect of financial year ended 31 December 2006.
- ii. On 15 June 2007, the Company has accepted the following awards from:
  - a. Legal Aid Bureau of the Prime Minister's Department for upgrading the Case Management System.
  - b. Federal Court of Malaysia, of the Prime Minister's Department for upgrading Revenue and Deposit Collection System for the Office of the Chief Registrar.
  - c. Jabatan Insolvensi Malaysia (Malaysian Insolvency Department) of the Prime Minister's Department for Data Migration Services.
  - d. Legal Affairs Division, Malaysian Insolvency Department, Legal Aid Bureau and the office of Chief Registrar of the Federal Court of Malaysia, of the Prime Minister Department.
- iii. On 6 August 2007, the Company has entered into an agreement with Government of Sri Lanka for setting-up of a Disaster Recovery Facility ("DRF") and second office for the Department of Immigration and Emigration Sri Lanka.

By Order of the Board

**KHAERUDDIN BIN SUDHARMIN (LS007037)**  
**NORISWADI BIN HAJI ISMAIL (LS0008892)**  
Secretary

*This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial period ended 30/6/2007.*