



**UNAUDITED RESULTS FOR  
THE FINANCIAL YEAR DECEMBER 31, 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 year under review.

**6. CHANGES IN ESTIMATES**

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

*This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial year ended 31/12/2007.*



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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 year under review.

**8. DIVIDENDS PAID**

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 year was paid out in the financial year 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 31 December 2007	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
<b>REVENUE</b>					
Group total	317,611	39,702	21,983	(3,022)	430,274
Inter-segment sales	-	-	-	-	-
External	317,611	39,702	21,983	(3,022)	430,274
<b>RESULT</b>					
Profit for the year	11,941	2,987	3,050	(222)	17,756



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

There were no valuation of property, plant and equipment as reported in the annual financial statement for the financial year ended December 31, 2007.

**11. SUBSEQUENT EVENT**

There were no material event subsequent to the financial year 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 year 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 December 31, 2007 is as follows:

	<b>Unaudited Financial Year 31/12/07 RM'000</b>
Approved and contracted for	<u>22,467</u>
Approved but not contracted for	<u>11,994</u>

**14. CONTINGENT LIABILITIES**

There were no contingent liabilities for the Group as at February 20, 2008 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 RM430,274,000 for the unaudited financial year ended December 31, 2007, an increase of RM95,236,000 or 22% relative to the previous financial year ended December 31, 2006. The increase in revenue was mainly attributable to a newly acquired subsidiary i.e. EMAS, managed data center services and trading of hardware and software for the current year.



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The Group recorded profit before taxation of RM26,272,000 for the unaudited financial year ended December 31, 2007, an increase of RM10,967,000 or 42% relative to the financial year ended December 31, 2006. The increase was mainly due to contribution from EMAS, share of result from an associated company, Vantage Point Consulting Sdn Bhd (VPC), contribution from system integration business and turnaround of a subsidiary from net losses of RM5,994,000 in previous financial year to marginal net profit of RM30,000.

The Group further recorded a net profit attributable to shareholders of RM17,756,000 for the financial year ended December 31, 2007. This represents an increase of RM11,936,000 or more than 100% relative to the previous financial year ended December 31, 2006. This is attributable to improvement of profit before taxation as described above and lower taxation charge for the year ended 31 December 2007.

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

In comparison with the preceding quarter (quarter ended September 30, 2007), there was an increase in consolidated revenue of 37% from RM114,705,000 to RM157,325,000. The increase is mainly from system integration business. This has contributed to an increase in profit before taxation from RM5,523,000 to RM12,100,000 in the current quarter (quarter ended December 31, 2007) mainly due to contribution from the system integration business, contribution from EMAS and share of result from VPC. This has subsequently increased the net profit attributable to shareholders of the parent from RM3,982,000 in the preceding quarter to RM7,576,000 in the current quarter.

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

The Group expects to sustain its profitability in the financial year ending December 31 2008 by focusing on its existing businesses.

### **18. VARIANCE ON FORECAST PROFIT**

Not Applicable.



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**19. TAXATION**

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

	<b>Current Quarter <u>31/12/2007</u> RM'000</b>	<b>Accumulated Current Year <u>31/12/2007</u> RM'000</b>
Current Taxation	<u>4,524</u>	<u>8,517</u>

**20. PROFIT ON SALE OF INVESTMENT**

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

**21. QUOTED SECURITIES**

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

**22. CORPORATE DEVELOPMENTS**

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

**23. GROUP BORROWINGS AND DEBT SECURITIES**

As at December 31, 2007, the Group has the following borrowings which are denominated in Ringgit Malaysia from a local financial institution:-

	<b><u>Total</u></b> <b><u>RM'000</u></b>
<b>Secured:</b>	
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	692
Other short term borrowings due within 12 months	<u>44,270</u>
	<u>45,654</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,286
Other long term borrowings due after 12 months	<u>31,709</u>
	<u>33,995</u>
Total	<u><u>79,649</u></u>

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**24. OFF BALANCE SHEET FINANCIAL INSTRUMENT**

The Group does not have any financial instruments with off balance sheet risk as at February 20 2008, 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 February 20 2008, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

**26. PROPOSED DIVIDEND**

The Company is declaring an interim dividend of 14% less 26% taxation in respect of financial year ended 31 December 2007 on 100,011,500 ordinary shares. The total dividend payable is RM10,361,191 ( 10.36 sen net per ordinary shares) and is payable on 11 April 2008.

Save as disclosed above, there are no other dividends proposed in respect of the current financial year during the financial year under review.

**27. EARNINGS PER SHARE**

	<b>Current Quarter <u>31/12/2007</u></b>	<b>Accumulated Current Year <u>31/12/2007</u></b>
<b><u>a) Basic</u></b>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	5,145	15,030
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>5.14</u>	<u>15.03</u>



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### **28. SIGNIFICANT EVENTS**

- i. On 27 November 2007, the Board of Directors of the Company has resolved to consider the offer from Permodalan Nasional Berhad (PNB) to enter into a sale and leaseback transaction of the property, i.e. a piece of land and consisting an institutional building complex known as HeiTech Village for a cash consideration of RM65million.
- ii. On 29 November 2007, the Company has accepted the Letter of Awards from IRIS Information Technology System Sdn. Bhd., for the Upgrading of the System for Driving License and MyKAD transactions at 587 Pos Malaysia's branches.
- iii. On 31 January 2008, the Company has accepted the Letter of Award for Record Management Centre for Jabatan Pendaftaran Negara, Kementerian Hal Ehwal Dalam Negeri.
- iv. On 1 February 2008, the Company has accepted the Letter of Award for Network Communication System (LAN & WAN ) for Jabatan Imigresen Malaysia, Kementerian Hal Ehwal Dalam Negeri.

By Order of the Board

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