



**UNAUDITED RESULTS FOR
THE FINANCIAL PERIOD MARCH 31, 2008**

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 2007. 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 2007.

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 2007.

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.

This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial period ended 31/3/2008.



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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

During the current financial period, an interim dividend of 14% less 26% taxation on 100,011,500 ordinary shares, amounting to a dividend payable of RM10,361,191 (RM10.36 sen per ordinary share) have been declared. The dividend was paid on April 11, 2008.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2007, of 7% less 26% taxation on 100,011,500 ordinary shares, amounting to a dividend payable of RM5,180,596 (RM5.18 sen per ordinary share) will be proposed for shareholders' approval.

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. The segmental reporting by business segment is reflected below:

As at 31 March 2008	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
REVENUE					
Group total	81,443	9,844	3,925	499	95,711
Inter-segment sales	-	-	-	-	-
External	81,443	9,844	3,925	499	95,711
RESULT					
Profit for the period	2,647	642	426	669	4,384



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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 period ended March 31, 2008.

11. SUBSEQUENT EVENT

There were 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 March 31, 2008 is as follows:

	Unaudited Financial Period <u>31/3/08</u> RM'000
Approved and contracted for	<u>7,520</u>
Approved but not contracted for	<u>18,293</u>

14. CONTINGENT LIABILITIES

There were no contingent liabilities for the Group as at May 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 RM95,711,000 for the financial period ended March 31, 2008, an increase of RM20,059,000 or 27% relative to the previous financial period ended March 31, 2007. The increase in revenue was mainly attributable to trading of hardware and software from the system integration business for the current period.



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The Group recorded profit before taxation of RM6,074,000 for the financial period ended March 31, 2008, an increase of RM718,000 or 13% relative to the financial period ended March 31, 2007 despite of substantial increase in revenue. This is due to lower contribution from subsidiaries due to intense competition within the IT industry.

The Group further recorded a net profit attributable to shareholders of RM4,384,000 for the financial period ended March 31, 2008 . This represents an increase of RM366,000 or 9% relative to the previous financial period ended March 31, 2007 as a result of increase in profit before taxation as mentioned above and higher taxation charge for the period.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

In comparison with the preceding quarter (quarter ended December 31, 2007), there was a decrease in consolidated revenue of 37% from RM151,068,000 to RM95,711,000. This has contributed to a reduction in profit before taxation from RM11,550,000 to RM6,074,000 in the current quarter (quarter ended March 31, 2008) mainly due to stronger contribution from system integration revenue and trading of hardware and software in preceding quarter. In addition, lower contribution from subsidiaries also contributed to this reduction. This has subsequently decreased the net profit attributable to shareholders of the parent company from RM5,474,000 in the preceding quarter to RM4,368,000 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 existing 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:-

	Current Quarter 31/3/2008	Accumulated Current Year 31/3/2008
	RM'000	RM'000
Current Taxation	<u>1,690</u>	<u>1,690</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.

23. GROUP BORROWINGS AND DEBT SECURITIES

As at March 31, 2008, the Group has the following borrowings which are denominated in Ringgit Malaysia from a local financial institution:-

Secured:	<u>Total RM'000</u>
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	757
Other short term borrowings due within 12 months	<u>31,755</u>
	<u>32,512</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,354
Other long term borrowings due after 12 months	<u>39,998</u>
	<u>42,352</u>
Total	<u><u>74,864</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 May 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 May 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

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

27. EARNINGS PER SHARE

	Current Quarter <u>31/3/2008</u>	Accumulated Current Year <u>31/3/2008</u>
<u>a) Basic</u>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	4,368	4,368
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
Basic earnings per share (sen)	<u>4.37</u>	<u>4.37</u>



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28. SIGNIFICANT EVENTS

- i. On 28 February 2008, the Company has announced an interim dividend of 14% less 26% taxation in respect of financial year ended 31 December 2007.
- ii. On 28 February 2008, the Company has accepted the Letter of Awards for BHEUU*NET Leased Line Network Service for Bahagian Hal Ehwal Undang-Undag (BHEUU), Jabatan Insolvensi Malaysia and Biro Bantuan Guaman.
- iii. On 28 April 2008, the Company has entered into a sale and purchase agreement (“SPA”) with Permodalan Nasional Berhad (“PNB”) to dispose a piece of freehold land and a building known as Menara HeiTech Village for a cash consideration of RM65.0 million.
- iv. On 13 May 2008, the Company has entered into an agreement with Prokhas Sdn Bhd for the implementation of a financial management system development, implementation, licensing and maintenance services.

By Order of the Board

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