



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



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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.

During the last Annual General Meeting, the shareholders have approved 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). The dividend was paid on August 8, 2008.

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 30 June 2008	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
REVENUE					
Group total	180,579	20,681	8,313	(1,320)	208,254
Inter-segment sales	-	-	-	-	-
External	180,579	20,681	8,313	(1,320)	208,254
RESULT					
Profit for the period	4,226	2,326	919	312	7,783



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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 June 30, 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 June 30, 2008 is as follows:

	Unaudited Financial Period <u>30/6/08</u> RM'000
Approved and contracted for	<u>10,481</u>
Approved but not contracted for	<u>17,058</u>

14. CONTINGENT LIABILITIES

There were no contingent liabilities for the Group as at August 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 recorded a revenue of RM208,254,000 for the financial period ended June 30, 2008, an increase of RM50,011,000 or 32% relative to the previous financial period ended June 30, 2007. The increase in revenue was mainly attributable to trading of hardware and software from the system integration business and infrastructure project implementation services for the current period.

This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial period ended 30/6/2008.



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The Group recorded profit before taxation of RM10,565,000 for the financial period ended June 30, 2008, an increase of RM1,916,000 or 22% relative to the financial period ended June 30, 2007.

The Group further recorded a net profit attributable to shareholders of RM7,783,000 for the financial period ended June 30, 2008. This represents an increase of RM1,739,000 or 29% relative to the previous financial period ended June 30, 2007 as a result of increase in profit before taxation as mentioned above and lower taxation charge for the period.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

In comparison with the preceding quarter (quarter ended March 31, 2008), there was an increase in consolidated revenue of 18% from RM95,711,000 to RM112,544,000. Despite of the increase in the revenue, profit before taxation recorded a decrease of 26% from RM6,074,000 to RM4,491,000 in the current quarter (quarter ended June 30, 2008).

This is mainly due to additional cost related to the completed Heitech Village 2 Data Centre (HTV 2) during the period. Consequently, net profit attributable to shareholders of the Group has decreased from RM4,384,000 in the preceding quarter to RM3,399,000 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 <u>30/6/2008</u> RM'000	Accumulated Current Year <u>30/6/2008</u> RM'000
Current Taxation	<u>1,092</u>	<u>2,782</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

On June 26, 2008 the shareholders of Heitech company have passed through the following resolution:

- 1) Authority for the Company to purchase in aggregate of up to ten per centum (10%) of its issued and paid-up share capital at any point in time through Bursa Malaysia Securities Berhad.
- 2) Disposal by the Company a piece of freehold land and office building erected thereon together with the accessory parcels bearing postal address No. 1 Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor to Permodalan Nasional Berhad, for cash consideration of RM 65.0 million and leaseback by the Company of the property for a fixed term of ten (10) year.

A part from the above, there was no other corporate developments during the financial period under review.



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23. GROUP BORROWINGS AND DEBT SECURITIES

As at June 30, 2008, the Group has the following borrowings which are denominated in Ringgit Malaysia from a local financial institution:-

	Total <u>RM'000</u>
Secured:	
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	260
Other short term borrowings due within 12 months	<u>55,554</u>
	<u>55,814</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,677
Other long term borrowings due after 12 months	<u>39,583</u>
	<u>42,260</u>
Total	<u>98,074</u>

24. OFF BALANCE SHEET FINANCIAL INSTRUMENT

The Group does not have any financial instruments with off balance sheet risk as at August 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 August 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 were no dividends proposed in respect of the current financial year during the financial period under review.



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27. EARNINGS PER SHARE

	Current Quarter <u>30/6/2008</u>	Accumulated Current Year <u>30/6/2008</u>
a) Basic		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	2,879	7,246
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>2.88</u>	<u>7.25</u>

28. SIGNIFICANT EVENTS

- i. On 26 May 2008, the Company has accepted the Letter of Award for the “Perolehan Peralatan Dan Perkhidmatan ICT bagi melaksanakan Projek Pelan Strategik ICT Kementerian Pengajian Tinggi (Ministry of Higher Education)”.
- ii. On 28 May, 2008, the Company has proposed to seek its shareholder’s authority to purchase its own ordinary shares of RM 1.00 each of up to ten per centum (10%) of its issued and paid-up share capital.
- iii. On 23 June 2008, the Company has accepted the Letter of Award for the Supply, Delivery, Installation, Testing, the Certification of Replacement, and Upgrading of ICT Equipment for Jabatan Pendaftaran Negara (National Registration Department).
- iv. On 25 June 2008, the Company has accepted the Letter of Award for the Upgrading and Enhancement of the Mainframe System at Jabatan Pendaftaran Negara (National Registration Department).
- v. On 6 August 2008, the Company has accepted the Letter of Award for the Continuance of the Contract for the Maintenance of Network Communication System (LAN & WAN) for Jabatan Imigresen Malaysia (“IMM”).

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 30/6/2008.