



**UNAUDITED RESULTS FOR
THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

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 2008. 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 2008.

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 2008.

3. STATUS ON QUALIFIED FINANCIAL STATEMENTS

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 statements, there were no unusual items affecting the financial statements 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



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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

No dividend 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 2009	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
REVENUE	RM '000	RM '000	RM '000	RM '000	RM '000
External	280,906	20,840	8,199	(138,225)	171,720
RESULT					
Profit for the period	4,879	769	1,897	(2,395)	5,150

10. VALUATION OF PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There was no valuation of the property, plant and equipment during the current quarter under review.

11. SUBSEQUENT EVENTS

There was no material event from 30 June 2009 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30 June 2009 in respect of which this announcement is made.

This document forms part of the unaudited quarterly announcement of HeiTech Group for the financial period ended 30/6/2009.



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12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other material changes to the composition of the Group besides as disclosed above in the current financial period under review.

13. CAPITAL COMMITMENTS

The amount of commitments for purchase of property, plant & equipment not provided for in the interim financial statements as at 30 June 2009 are as follows:

	Unaudited Financial Period 30/06/09 RM'000
Approved and contracted for	<u>952</u>
Approved but not contracted for	<u>11,286</u>

14. CONTINGENT LIABILITIES

There were no contingent liabilities for the Group as at 19 August 2009 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 revenue of RM171,720,000 for the financial period ended 30 June 2009, a decrease of RM36,534,000 or 18% relative to the previous financial period ended 30 June 2008. The decrease in revenue was mainly attributable to the decline in trading of hardware and software from the System Integration business for the current period.

The Group recorded profit before taxation of RM7,846,000 for the financial period ended 30 June 2009, a decrease of RM2,719,000 or 26% relative to the financial period ended 30 June 2008. The decrease was mainly attributed to lower gross profit of the Group amounting to RM3,748,000 resulted from lower revenue recorded as stated above.

In addition, the decrease of the Group profit before taxation was also due to the share of loss from an associate company amounting to RM1,270,000 for the financial period ended 30 June 2009 as compared to share of profit amounting to RM670,000 recorded during the corresponding financial period in 2008.



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The Group further recorded a profit after taxation of RM5,150,000 for the financial period ended 30 June 2009. This represents a decrease of RM2,633,000 or 34% compared to the previous financial period ended 30 June 2008 as a result of decrease in profit before taxation as mentioned above.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

In comparison with the preceding quarter (quarter ended 31 March 2009), there was a decrease in consolidated revenue of 5% from RM87,840,000 to RM83,880,000. Profit before taxation however, recorded an increase from RM2,324,000 to RM5,523,000 in the current quarter ended 30 June 2009. The increase was mainly due to increase in gross profit margin and reduction in overhead as compared to preceding quarter.

Consequently, profit after taxation of the Group has increased from RM1,058,000 in the preceding quarter to RM4,092,000 in the current quarter.

17. PROSPECTS IN THE CURRENT FINANCIAL YEAR

The Group expects to remain profitable for the current financial year.

18. VARIANCE ON FORECASTED PROFIT

Not Applicable.

19. TAXATION

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

	Current Quarter <u>30/06/2009</u> RM'000	Accumulated Current Year <u>30/06/2009</u> RM'000
Income tax:		
Current Taxation	2,281	3,665
Deferred	<u>(851)</u>	<u>(969)</u>
	<u>1,430</u>	<u>2,696</u>

The effective tax rate for the financial period ended 30 June 2009 is higher than the statutory tax rate mainly due to the effect of share of losses of associate company.



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20. PROFIT ON SALE OF INVESTMENTS

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 30 June 2009, the Group has the following borrowings which are denominated in Ringgit Malaysia from a local financial institution:-

	<u>Total</u> <u>RM'000</u>
Secured:	
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	383
Other short term borrowings due within 12 months	6,645
	<u>7,028</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,258
Other long term borrowings due after 12 months	81,683
	<u>83,941</u>
Total	<u>90,969</u>

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any financial instruments with off balance sheet risk as at 19 August 2009, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.



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25. MATERIAL LITIGATIONS

The Group is not engaged in any material litigations, claims or arbitration either as plaintiff or defendant as at 19 August 2009, 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 was no dividend proposed in respect of the current financial year during the financial period under review.

27. EARNINGS PER SHARE

	Current Quarter <u>30/06/2009</u>	Accumulated Current Year <u>30/06/2009</u>
<u>a) Basic</u>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	3,540	4,355
Number of ordinary shares issued at beginning of the year	100,011,500	100,011,500
Weighted average number of ordinary shares in issue	98,648,000	98,648,000
Basic earnings per share (sen)	<u>3.54</u>	<u>4.35</u>
Diluted earnings per share (sen)	<u><u>3.59</u></u>	<u><u>4.41</u></u>

28. SIGNIFICANT EVENTS

On 29 July 2009, the Company received a Letter of Award from the Government of Malaysia for the continuation of the contract for the maintenance of the Main Business ICT System of Jabatan Pendaftaran Negara (“National Registration Department”) amounting to RM83,400,000.00.

On 29 July 2009, the Company also received a Letter of Award from the Government of Malaysia for the continuation of the contract for the maintenance of the Card Issuance Centre of Jabatan Pendaftaran Negara (“National Registration Department”) amounting to RM14,700,000.00.



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On 30 July 2009, the Company accepted Letter of Award from the Government of Malaysia for the Maintenance of the Application System for the Travel Document and Immigration Control, for Jabatan Imigresen Malaysia (“IIM”) amounting to RM7,449,930.00.

On 6 August 2009, the Company received a Letter of Award from the Government of Malaysia for the continuance of the contract for the Maintenance of Network Communication System (LAN & WAN) for Jabatan Imigresen Malaysia (“IIM”) amounting to RM16,024,403.00.

On 12 August 2009, the Company received a Letter of Award from the Government of Malaysia for the Enhancement of Pension and Pension Accounting Module System for Angkatan Tentera Malaysia (“ATM”) amounting to RM7,000,700.00.

On 13 August 2009, the Company received a Letter of Award from the Central Bank of Malaysia (“BNM”) for the Purchase, Supply, Delivery and Implementation of New SAN Storage, Peripherals and System Software amounting to RM4,145,982.75.

By Order of the Board

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NORISWADI BIN HAJI ISMAIL (LS0008892)
Secretary