

**HEITECH PADU BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	<b>Unaudited 2009</b>	<b>Audited 2008</b>
	<b>As at 30 September</b>	<b>As at 31 December</b>
	<b>RM</b>	<b>RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	71,983,733	88,602,432
Goodwill on consolidation	13,119,177	12,339,384
Intangible assets	3,838,719	6,618,291
Deferred expenditure	791,608	308,570
Investment in associate companies	1,113,639	2,299,074
Other investment	7,611,176	11,383,866
Trade debtors	119,408,075	93,675,512
Deferred Tax assets	41,717	15,493
<b>TOTAL NON-CURRENT ASSETS</b>	<b>217,907,844</b>	<b>215,242,622</b>
<b>CURRENT ASSETS</b>		
Inventories	841,870	618,722
Other debtors & prepayments	32,210,201	46,436,062
Tax recoverable	5,125,996	4,990,021
Trade debtors	101,434,427	127,041,378
Cash & bank balances	37,116,699	44,666,618
<b>TOTAL CURRENT ASSETS</b>	<b>176,729,192</b>	<b>223,752,801</b>
<b>CURRENT LIABILITIES</b>		
Trade creditors	60,810,177	91,182,879
Other creditors & accruals	25,959,533	39,462,287
Short term borrowings	10,697,581	18,168,280
Hire Purchase Creditors	310,840	898,489
Taxation	1,338,621	1,603,241
<b>TOTAL CURRENT LIABILITIES</b>	<b>99,116,753</b>	<b>151,315,175</b>
<b>NET CURRENT ASSETS</b>	<b>77,612,440</b>	<b>72,437,625</b>
	<b>295,520,284</b>	<b>287,680,248</b>
<b>FINANCED BY:</b>		
Share capital	100,138,700	100,011,500
Share Premium	16,516,971	16,516,971
Share Option Reserve	1,247,648	1,247,648
Retained profits	72,287,107	82,086,398
Shareholders' equity	190,190,426	199,862,517
Reserve arising from consolidation	-	-
Minority interests	9,101,315	7,129,130
<b>Shareholders' Funds</b>	<b>199,291,741</b>	<b>206,991,647</b>
<u>Long Term Liabilities</u>		
Long term borrowings	91,440,347	74,780,129
Deferred Tax Liabilities	2,614,641	3,584,318
Hire Purchase Creditors	2,173,557	2,324,154
<b>Non-current liabilities</b>	<b>96,228,544</b>	<b>80,688,601</b>
	<b>295,520,285</b>	<b>287,680,248</b>
Net Asset per share attributable to ordinary equity holders of the parent (RM)	1.73	1.81

**HEITECH PADU BERHAD**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	2009	2008	2009	2008
	Current quarter ended 30 September	Comparative quarter ended 30 September	9 months cumulative to date	Comparative 9 months cumulative to date
	RM	RM	RM	RM
Revenue	94,680,098	95,830,119	266,400,095	304,084,277
Other Income	276,209	730,025	3,986,524	3,307,773
Total Income	<u>94,956,307</u>	<u>96,560,144</u>	<u>270,386,619</u>	<u>307,392,050</u>
Staff Costs	(12,838,036)	(16,022,589)	(39,476,325)	(49,241,156)
Purchase of Hardware and Software	(9,189,989)	(4,755,535)	(16,431,220)	(26,251,603)
Leaseline Rental	(12,447,968)	(9,841,459)	(40,151,905)	(38,417,604)
Maintenance cost	(19,746,177)	(24,659,398)	(69,294,055)	(68,779,707)
Bulk mailing operating costs	(10,655,311)	(6,487,656)	(23,169,405)	(19,699,235)
Depreciation	(5,489,602)	(4,405,467)	(11,772,774)	(11,982,074)
Television program production cost	(1,242,802)	(3,903,629)	(6,112,706)	(9,725,981)
Professional fees	(9,281,743)	(792,969)	(9,613,780)	(2,955,684)
Project implementation cost	(4,125,990)	-	(7,386,277)	(17,415,052)
Other Operating Expenses	(11,320,678)	(22,444,005)	(38,574,485)	(47,912,316)
Total Operating Expenditure	<u>(96,338,295)</u>	<u>(93,312,708)</u>	<u>(261,982,933)</u>	<u>(292,380,411)</u>
Profit From Operations	(1,381,988)	3,247,435	8,403,686	15,011,639
Finance Costs	(232,951)	(1,418,137)	(902,895)	(3,287,601)
Share of Results of Associated Companies	84,133	471,281	(1,185,435)	1,141,623
Profit Before Taxation	<u>(1,530,807)</u>	<u>2,300,579</u>	<u>6,315,356</u>	<u>12,865,662</u>
Taxation	(636,932)	636	(3,333,370)	(2,781,773)
Profit After Taxation	<u>(2,167,740)</u>	<u>2,301,218</u>	<u>2,981,986</u>	<u>10,083,888</u>
Attributable to:				
Equity holders of the Company	(2,137,868)	2,269,179	2,217,374	9,515,462
Minority Interest	(29,872)	32,039	764,612	568,427
Net Profit Attributable to Shareholders	<u>(2,167,740)</u>	<u>2,301,218</u>	<u>2,981,986</u>	<u>10,083,888</u>
Number of Ordinary Shares of RM1.00 each	100,138,700	100,011,500	100,138,700	100,011,500
Earning per share attributable to equity holders of the parent:				
Basic for profit for the period	(2.13)	2.27	2.21	9.51

**HEITECH PADU BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

For the period ended 30 September 2009	Share capital	Non- distributable		Distributable		Minority Interest	Total
		Share premium	Share Option reserves	Retained profits	Total		
At 1 January 2009	100,011,500	16,516,971	1,247,648	82,086,399	199,862,518	7,129,130	206,991,648
Issuance of ordinary shares pursuant to ESOS	127,200	-	-	-	127,200	-	127,200
Additional acquisition of shares in a subsidiary	-	-	-	-	-	1,207,574	1,207,574
Net profit for the period	-	-	-	2,217,374	2,217,374	764,612	2,981,986
Dividends	-	-	-	(12,016,666)	(12,016,666)	-	(12,016,666)
At 30 September 2009	<u>100,138,700</u>	<u>16,516,971</u>	<u>1,247,648</u>	<u>72,287,107</u>	<u>190,190,426</u>	<u>9,101,315</u>	<u>199,291,741</u>

**For the year ended 31 December 2008**

At 1 January 2008	100,011,500	16,516,971	889,039	77,975,874	195,393,384	6,370,453	201,763,837
Share option issued during the year	-	-	358,609	-	358,609	-	358,609
Net profit for the year	-	-	-	29,660,417	29,660,417	1,472,326	31,132,742
Dividends	-	-	-	(25,549,892)	(25,549,892)	(713,649)	(26,263,541)
At 31 December 2008	<u>100,011,500</u>	<u>16,516,971</u>	<u>1,247,648</u>	<u>82,086,398</u>	<u>199,862,517</u>	<u>7,129,130</u>	<u>206,991,647</u>

**HEITECH PADU BERHAD**  
**CONDENSED CASH FLOW STATEMENTS FOR THE**  
**FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	2009	2008
	Period ended 30 September	Year ended 31 December
	RM	RM
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,315,356	37,912,000
Adjustment for:		
Depreciation	11,772,774	16,652,000
Interest expense	902,895	5,662,000
Provision for doubtful debt	-	6,312,000
Writeback of doubtful debt	-	(2,439,000)
Provision for diminution in value of investment	-	2,949,000
ESOS Reserve	-	359,000
Amortisation of deferred expenditure/ intangibles	1,279,573	2,306,000
Share of (profit)/ loss from associated companies	1,185,435	(1,148,000)
(Gain)/loss on disposal of property, plant and equipment	(1,891,553)	(28,001,000)
Loss/(gain) on disposal of investment	-	-
Interest income	(810)	(188,000)
Intangible assets written off	-	5,471,000
Unrealised foreign exchange net	-	(89,000)
Operating profit before working capital changes	<u>19,563,670</u>	<u>45,758,000</u>
(Increase)/Decrease in inventories	(223,148)	(206,000)
(Increase)/Decrease in receivables	23,890,548	(38,769,000)
Increase/ (Decrease) in payables	(43,875,455)	(37,628,000)
Decrease in amount due to related companies	-	-
Cash generated from operations	<u>(644,385)</u>	<u>(30,845,000)</u>
Interest paid	(902,895)	(5,662,000)
Taxation paid	<u>(5,705,651)</u>	<u>(7,588,000)</u>
Net cash generated from operating activities	<u>(7,252,931)</u>	<u>(44,095,000)</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Interest received	810	188,000
Proceeds from issuance of shares	127,200	-
Purchase of investments	-	(5,590,000)
Purchase of property, plant and equipment	(2,697,805)	(22,165,000)
Proceed from disposal of property, plant and equipment	9,435,283	65,048,000
Acquisition of a subsidiary	(3,597,466)	-
Proceed from disposal of subsidiary	-	-
Software development cost incurred	-	(2,483,000)
Net cash used in investing activities	<u>3,268,022</u>	<u>34,998,000</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(12,016,666)	(15,542,000)
Dividend paid to Minority Interest	-	(714,000)
Net of drawdown/ (repayment) of borrowings and hire purchase	3,522,692	19,840,000
Net cash generated from / (used in) financing activities	<u>(8,493,974)</u>	<u>3,584,000</u>
<b>NET INCREASE/( DECREASE) IN CASH &amp; CASH EQUIVALENT</b>		
	(12,478,883)	(5,513,000)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		
	<u>38,898,000</u>	<u>44,411,000</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
	<u>26,419,118</u>	<u>38,898,000</u>
<b>CASH &amp; CASH EQUIVALENT COMPRISE:</b>		
Cash at bank	28,239,452	44,469,000
Fixed deposits at licensed banks	8,877,247	198,000
Overdrafts	<u>(10,697,581)</u>	<u>(5,769,000)</u>
	<u>26,419,118</u>	<u>38,898,000</u>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Accounts for the year ended 31/12/2008. The document forms part of quarterly announcement for period ended 30/9/2009*



**UNAUDITED RESULTS FOR  
THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 period ended 30/9/2009.*



## **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 September 2009	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
<b>REVENUE</b>	RM '000	RM '000	RM '000	RM '000	RM '000
External	229,369	32,193	9,888	(5,050)	266,400
<b>RESULT</b>					
Profit for the period	3,033	973	1,964	(2,988)	2,982

## **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 September 2009 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30 September 2009 in respect of which this announcement is made.



## **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 September 2009 are as follows:

	<b>Unaudited Financial Period 30/09/09 RM'000</b>
Approved and contracted for	<u>483</u>
Approved but not contracted for	<u>756</u>

## **14. CONTINGENT LIABILITIES**

There were no contingent liabilities for the Group as at 28 October 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 266,400,000 for the financial period ended 30 September 2009, a decrease of RM37,684,000 or 12% relative to the previous financial period ended 30 September 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 RM6,315,000 for the financial period ended 30 September 2009, a decrease of RM6,550,000 or 51% relative to the financial period ended 30 September 2008. The decrease was mainly contributed by the lower gross profit of the Group by RM3,075,000 resulted by the lower revenue recorded as stated above and lower contribution from subsidiaries as compared to previous financial period.

In addition, the decrease of the Group profit before taxation was also due to the share of loss from an associate company amounting to RM1,185,000 for the financial period ended 30 September 2009 as compared to share of profit amounting to RM670,000 recorded during the corresponding financial period in 2008.



The Group further recorded a profit after taxation of RM2,982,000 for the financial period ended 30 September 2009. This represents a decrease of RM7,102,000 or 70% compared to the previous financial period ended 30 September 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 30 June 2009), there was an increase in consolidated revenue of 13% from RM83,880,000 to RM94,680,000. However gross profit decrease by 9% from RM20,016,000 in quarter ended 30 June 2009 to RM18,314,310 in the current quarter. This is due to GP margin reduction from 24% to 19% in current quarter as compared to preceding quarter. As a result, profit before taxation and profit after taxation recorded a decrease from RM5,523,000 to loss of RM1,530,000 and RM4,092,000 to loss of RM2,168,000 respectively in the current quarter ended 30 September 2009.

#### **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:-

	<b>Current Quarter <u>30/09/2009</u> RM'000</b>	<b>Accumulated Current Year <u>30/09/2009</u> RM'000</b>
Income tax:		
Current Taxation	1,487	4,302
Deferred	<u>(851)</u>	<u>(969)</u>
	<u>636</u>	<u>3,333</u>

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

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

<b>Secured:</b>	<b>Total RM'000</b>
<u>Short Term Borrowings</u>	
Hire Purchase Creditor due within 12 months	311
Other short term borrowings due within 12 months	<u>10,697</u>
	<u>11,008</u>
<u>Long Term Borrowings</u>	
Hire Purchase Creditor due after 12 months	2,174
Other long term borrowings due after 12 months	<u>91,440</u>
	<u>93,614</u>
Total	<u><u>104,622</u></u>

## **24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

The Group does not have any financial instruments with off balance sheet risk as at 28 October 2009, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

## **25. MATERIAL LITIGATIONS**

The Group is not engaged in any material litigations, claims or arbitration either as plaintiff or defendant as at 28 October 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**

	<b>Current Quarter <u>30/09/2009</u></b>	<b>Accumulated Current Year <u>30/09/2009</u></b>
<b>a) Basic</b>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	(2,138)	2,217
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
<b>Basic (loss)/ earnings per share (sen)</b>	<u>(2.14)</u>	<u>2.22</u>
<b>Diluted (loss)/ earnings per share (sen)</b>	<u>(2.15)</u>	<u>2.23</u>

**28. SIGNIFICANT EVENTS**

There were no significant events during the financial period under review.

By Order of the Boards

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