

HEITECH PADU BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Unaudited 2012 As at 30 September RM'000	Audited 2011 As at 31 December RM'000
NON-CURRENT ASSETS		
Property, plant & equipment	65,285	68,560
Intangible assets	19,188	19,104
Investment in associates	23,080	21,777
Other investments	8,239	8,026
Lease receivable	99,631	110,530
TOTAL NON-CURRENT ASSETS	215,423	227,997
CURRENT ASSETS		
Inventories	1,982	436
Trade and other receivables	153,325	158,360
Lease receivable	32,415	32,415
Due from customers on contracts	31,756	22,053
Other current assets	9,241	3,710
Tax recoverable	5,219	7,061
Cash and bank balances	40,622	56,135
TOTAL CURRENT ASSETS	274,560	280,170
CURRENT LIABILITIES		
Trade and other payables	82,067	71,304
Tax payable	618	882
Short term borrowings	94,267	123,884
Hire purchase payables	56	915
TOTAL CURRENT LIABILITIES	177,008	196,985
NET CURRENT ASSETS	97,552	83,185
	312,975	311,182
FINANCED BY:		
Share capital	101,225	101,225
Share premium	16,526	16,526
Share option reserve	1,215	1,215
Foreign currency translation reserve	(1,452)	(333)
Retained earnings	83,786	84,222
Shareholders' equity	201,300	202,855
Minority interests	11,256	10,514
Shareholders' Funds	212,556	213,369
<u>Long Term Liabilities</u>		
Long term borrowings	100,061	96,748
Hire purchase creditors	-	707
Deferred tax liabilities	358	358
Non-current liabilities	100,419	97,813
	312,975	311,182
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.80	1.82

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Accounts for the year ended 31/12/2011. The document forms part of quarterly announcement for quarter ended 30/09/2012.

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

a) Unaudited Condensed Consolidated Income Statement

	2012		2011	
	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30 September	Comparative quarter ended 30 September	9 months cumulative to date	Comparative 9 months cumulative to date
	RM'000	RM'000	RM'000	RM'000
Revenue	87,806	76,838	254,135	245,463
Other Income	941	(704)	8,042	6,215
Total Income	88,747	76,134	262,177	251,678
Staff Cost	(22,053)	(18,743)	(67,824)	(59,863)
Purchase of Hardware and Software	(9,684)	1,795	(19,521)	(11,661)
Leaseline Rental	(8,858)	(9,322)	(34,370)	(32,501)
Maintenance Cost	(11,122)	(18,317)	(45,502)	(44,789)
Bulk Mailing Operating Cost	(3,247)	(2,363)	(10,135)	(6,621)
Depreciation	(3,734)	(2,954)	(9,258)	(8,884)
Television Program Production Cost	(3,210)	(2,169)	(3,531)	(6,481)
Professional Fees	(10,662)	(6,885)	(27,277)	(28,793)
Project Implementation Cost	(2,350)	249	(2,920)	(2,559)
Other Operating Expenses	(14,701)	(15,360)	(38,119)	(44,052)
Total Operating Expenditure	(89,621)	(74,069)	(258,457)	(246,204)
Profit From Operations	(874)	2,065	3,720	5,474
Finance Cost	(1,110)	(1,501)	(3,734)	(3,528)
Share of Results of Associated Companies	1,105	597	1,302	153
Profit Before Taxation	(879)	1,161	1,288	2,099
Taxation	(125)	(468)	(867)	(1,018)
Profit for the period	(1,004)	693	421	1,081
Profit attributable to:				
Equity holders of the Parent	(1,373)	12	(436)	(1,170)
Minority Interest	369	681	857	2,251
	(1,004)	693	421	1,081
Number of Ordinary Shares of RM1.00 each	101,225	101,225	101,225	101,225
Earning per share attributable to equity holders of the parent:				
Basic for profit for the period	(1.36)	0.01	(0.43)	(1.16)

b) Unaudited Condensed Consolidated Statement of Comprehensive Income

Profit for the period	(1,004)	693	421	1,081
Foreign currency translation	(88)	293	(914)	-
Total comprehensive income	(1,092)	986	(493)	1,081
Total comprehensive income attributable to:				
Equity holders of the Parent	(1,461)	305	(1,555)	(1,470)
Minority Interest	369	681	1,062	2,551
	(1,092)	986	(493)	1,081

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	<u>Non- distributable</u>				<u>Distributable</u>		Minority Interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Share Option Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained profits RM'000	Total RM'000		
For the period ended 30 September 2012								
At 1 January 2012	101,225	16,526	1,215	(333)	84,222	202,855	10,514	213,369
Total comprehensive income for the period	-	-	-	(1,119)	(436)	(1,555)	1,062	(493)
Transaction with owners								
Dividends paid to minority interest	-	-	-	-	-	-	(320)	(320)
At 30 September 2012	<u>101,225</u>	<u>16,526</u>	<u>1,215</u>	<u>(1,452)</u>	<u>83,786</u>	<u>201,300</u>	<u>11,256</u>	<u>212,556</u>
For the period ended 30 September 2011								
At 1 January 2011	100,716	16,526	594	(701)	85,721	202,856	8,340	211,196
Total comprehensive income for the period	-	-	-	(300)	(1,170)	(1,470)	2,551	1,081
Transaction with owners								
Issuance of shares for cash	509	-	-	-	-	509	-	509
Dividends	-	-	-	-	(5,543)	(5,543)	-	(5,543)
At 30 September 2011	<u>101,225</u>	<u>16,526</u>	<u>594</u>	<u>(1,001)</u>	<u>79,008</u>	<u>196,352</u>	<u>10,891</u>	<u>207,243</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Accounts for the year ended 31/12/2011. The document forms part of quarterly announcement for quarter ended 30/06/2012.

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	2012	2011
	Period ended	Year ended
	30 September	31 December
	RM'000	RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,288	9,618
Adjustment for:		
Depreciation	9,258	11,937
Finance costs	3,734	4,915
Impairment loss on:		
- trade receivables	2,109	2,650
- other receivables	-	109
Reversal of impairment loss on trade receivables	(3,130)	-
Net fair value loss/(gain) on held for trading investment	809	(939)
Share option granted under ESOS	-	621
Amortisation of intangible assets	65	2,043
Share of results of associates	(1,302)	(1,164)
Gain on disposal of property, plant and equipment	(49)	(139)
Gain on disposal of other investment	-	(218)
Interest income	(307)	(1,031)
Dividend income	(2,473)	(3,376)
	<hr/>	<hr/>
Operating profit before working capital changes	10,002	25,026
(Increase)/decrease in inventories	(1,546)	450
Decrease/(increase) in receivables	8,178	(7,334)
Increase/(decrease) in payables	10,968	(45,499)
Cash generated from/(used in) operations	<hr/>	<hr/>
	27,602	(27,357)
Interest paid	(3,734)	(4,915)
Income taxes paid	(4,708)	(5,946)
Net cash generated from/(used in) operating activities	<hr/>	<hr/>
	19,160	(38,218)
CASHFLOW FROM INVESTING ACTIVITIES		
Interest received	307	1,031
Net dividends received	315	3,376
Purchase of investments	(1,022)	(17,845)
Proceeds from disposal of an investment	-	1,128
Purchase of property, plant and equipment	(5,934)	(8,405)
Proceed from disposal of property, plant and equipment	-	736
Additions to intangible assets	(149)	(478)
Net cash outflow on acquisition of a subsidiary	-	(5,734)
Net cash used in investing activities	<hr/>	<hr/>
	(6,483)	(26,191)
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	509
Proceeds from loans and borrowings	-	78,717
Repayment of loans and borrowings	(45,742)	(10,782)
Repayment of obligations under finance lease	(1,566)	(351)
Dividends paid to minority interest	(320)	-
Dividend paid	-	(10,604)
Net cash (used in)/generated from financing activities	<hr/>	<hr/>
	(47,628)	57,489
NET DECREASE IN CASH & CASH EQUIVALENTS	<hr/>	<hr/>
	(34,951)	(6,920)
Effect of exchange rate changes on cash and cash equivalents	-	51
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<hr/>	<hr/>
	40,475	47,344
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr/>	<hr/>
	5,524	40,475
CASH & CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	12,590	34,012
Fixed deposits with licensed banks	28,032	22,123
Bank overdrafts	(35,098)	(15,660)
	<hr/>	<hr/>
	5,524	40,475



**UNAUDITED RESULTS FOR
THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

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 MFRS 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 2011. 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 2011.

2. CHANGES IN ACCOUNTING POLICIES

These are the Group's first interim financial statements for the part of the period covered by the Group's first MFRS framework annual financial statements for the year ending 31 December 2012. MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The transition to MFRS framework does not have any material impact to these interim financial statements.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The principal business operations of the Group are not significantly affected by seasonality or cyclical factors.



HEITECH PADU BERHAD

Company No: 310628-D

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.

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.



HEITECH PADU BERHAD

Company No: 310628-D

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:

For the period ended 30 September 2012	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE					
External	227,719	23,220	4,696	(1,500)	254,135
RESULT (Loss)/profit for the year	(1,582)	2,678	405	(1,080)	421

For the period ended 30 September 2011	IT related products and services	Bulk mailing outsourcing services	Television content services	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE					
External	211,101	22,254	12,108	-	245,463
RESULT (Loss)/profit for the year	(1,825)	1,767	4,250	(3,111)	1,081

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.



HEITECH PADU BERHAD

Company No: 310628-D

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. SUBSEQUENT EVENTS

There was no material event from 30 September 2012 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 30 September 2012 in respect of which this announcement is made.

13. CAPITAL COMMITMENTS

The amount of commitments for purchase of property, plant & equipment not provided for in the financial statements for the period ended 30 September 2012 are as follows:

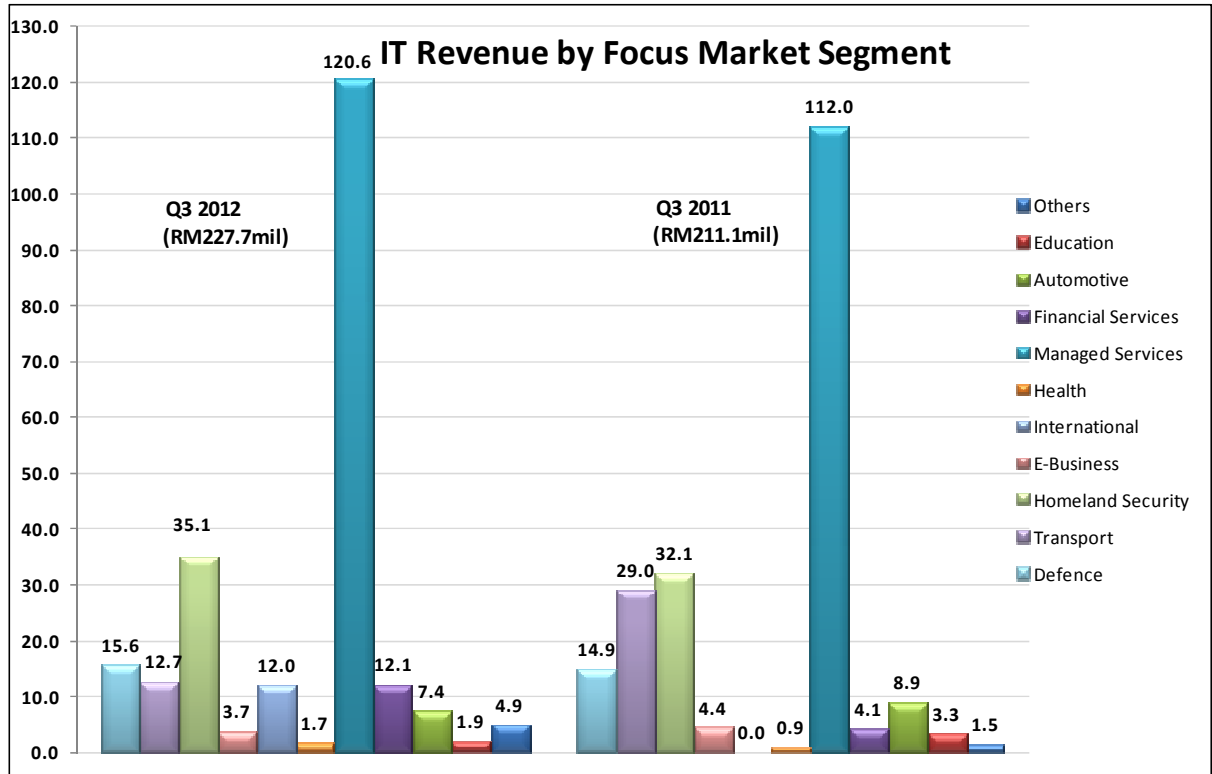
	Unaudited Financial Period 30/09/12 RM'000
Approved and contracted for	<u>364</u>
Approved but not contracted for	<u>788</u>

14. CONTINGENT LIABILITIES

There were no contingent liabilities for the Group as at 19 November 2012 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

IT related products and services



The operation of this segment is mainly concentrated in Malaysia, with market presence in Middle East and Australia. IT products and services segment can be further divided into the following focus market segments:

- Defence – Simulation and Training and IT related solution for defence and security.
- Transport – IT Systems covering multi-sectoral (road, rail, air and water).
- Homeland security – IT related solution for homeland security.
- International – IT relates solution for international business in Middle East.
- Health – System integration and product development of healthcare related business.
- Managed services – ICT infrastructure solutions.
- Financial services – Core banking, takaful, insurance and credit management solutions.
- Automotive – Database build for industry reference (Malaysia) and software (Australia).
- Education – Education solution services provider.
- Others.

Defence sector recorded higher revenue by 5% mainly due to revenue from flight simulator training aid.



HEITECH PADU BERHAD

Company No: 310628-D

Transport sector recorded lower revenue by 56% mainly due to delivery of system integration development phase for a major customer in FY2-11. The development phase is expected to be completed in March 2013.

Homeland security sector experienced higher revenue by 9% mainly due to delivery of system integration project.

The revenue generated by the international sector of RM12.0 million relates to new business secured in the Middle East.

Health sector experienced higher revenue by 89% due to higher revenue generated from health solutions for public hospitals.

Managed services registered higher revenue by 8% as a result of securing new customers in Quarter 3, 2012.

Financial services sector recorded higher revenue by 195% mainly due to higher system application and maintenance services revenue for financial institutions. The segment has secured a core banking project with a financial institution in current year and it is expected to contribute positively.

Automotive sector is contributed by subsidiaries in Malaysia and Australia. The sector experienced lower revenue by 17% as a result of lower database transaction revenue recorded by the subsidiary in Australia.

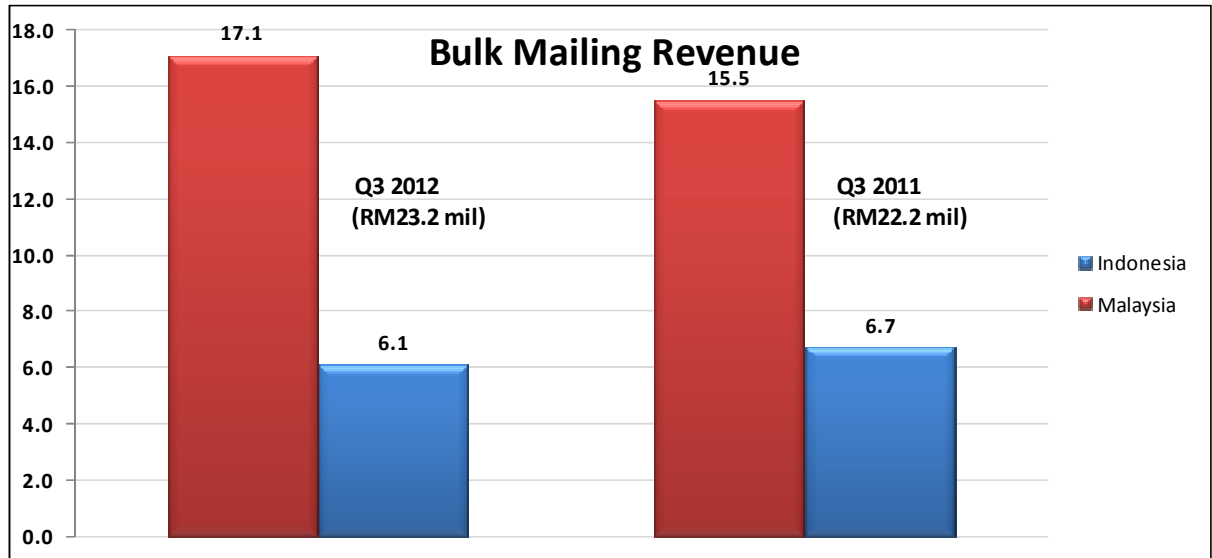
Education sector is contributed by a subsidiary in Malaysia. The decrease in revenue generated during the period by 42% is mainly contributed by completion of a major project in 2011.

Overall, the increase in revenue by RM16,618,000 or 8% relative to financial period ended 30 September 2012 has resulted in decrease of loss after taxation by RM243,000 to RM1,582,000 for the financial period ended 30 September 2012.



HEITECH PADU BERHAD
Company No: 310628-D

Bulk mailing outsourcing services



The segment is contributed by the Group's subsidiaries in Malaysia and Indonesia.

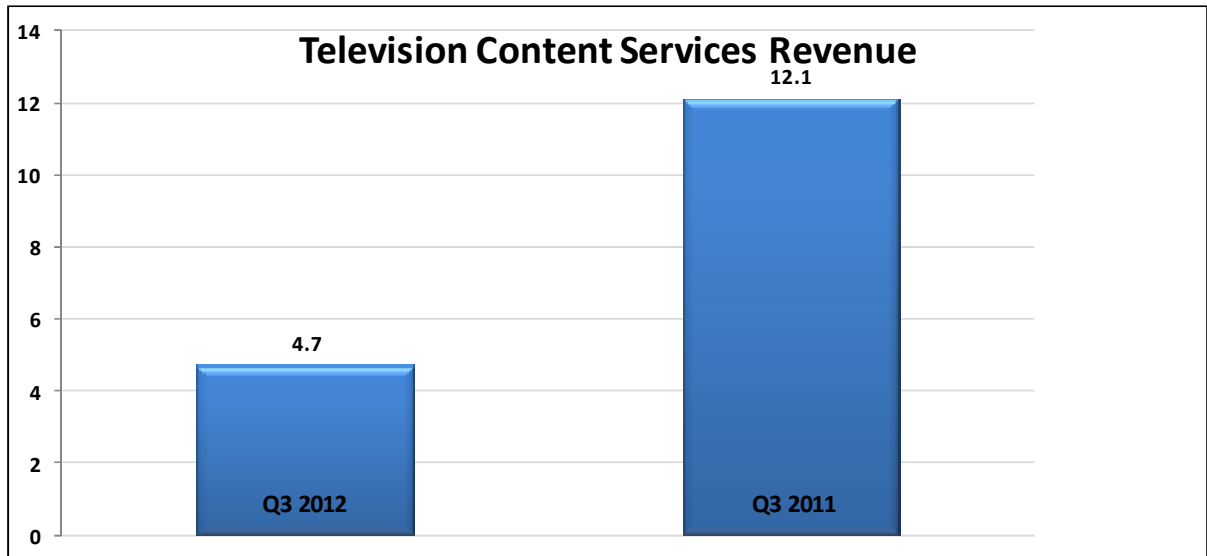
The revenue of RM23,220,000 for the financial period ended 30 September 2012 increased by 4% compared to RM22,254,000 for the previous financial period ended 30 September 2011. The increase is mainly due to increase in bulk mailing volume by subsidiary in Malaysia.

As a result, the profit after taxation of RM2,678,000 for the financial period ended 30 September 2012 increased by 52% compared to profit after taxation of RM1,767,000 for the financial period ended 30 September 2011.



HEITECH PADU BERHAD
Company No: 310628-D

Television content services



The segment is contributed by the Group's subsidiary in Malaysia.

The revenue of RM4,696,000 for the financial period ended 30 September 2012 decreased by 61% compared to RM12,108,000 for the previous financial period ended 30 September 2011. The decrease in revenue is contributed by decrease in delivery of television contents to a major customer as the long-term contract with the customer has completed in FY2011. As a result, profit after taxation of RM405,000 for the financial period ended 30 September 2012 decreased by 90% compared to profit after taxation of RM4,250,000 for the financial period ended 30 September 2011.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded revenue of RM87,806,000 for the current quarter ended 30 September 2012, an increase of RM3,867,000 or 5% relative to the preceding quarter ended 30 June 2012. The increase in revenue was due to the increase in network business.

The Group recorded loss before taxation of RM879,000 for the current quarter ended 30 September 2012, a decrease of RM1,197,000 relative to the preceding quarter ended 30 June 2012.

The Group recorded loss after taxation of RM1,004,000 for the current quarter ended 30 September 2012, a decrease of RM1,187,000 to the preceding quarter ended 30 June 2012.



HEITECH PADU BERHAD

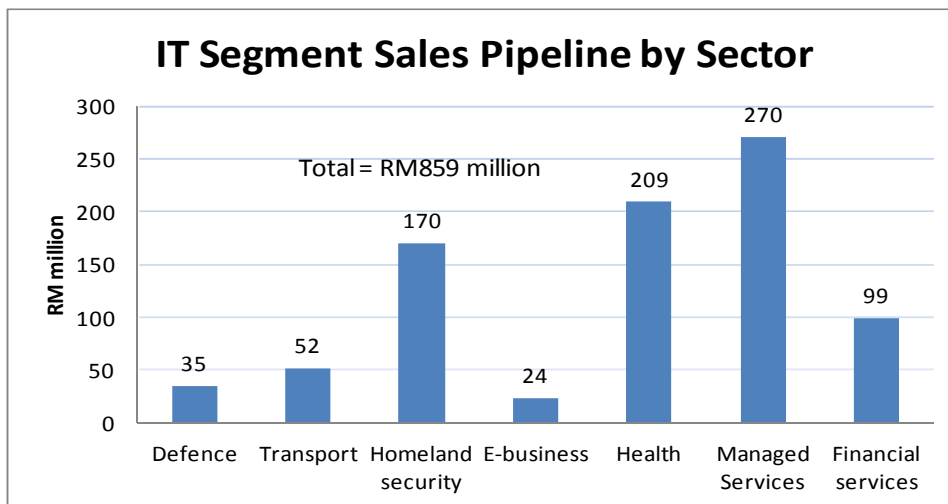
Company No: 310628-D

17. PROSPECTS IN THE CURRENT FINANCIAL YEAR

Moving forward, global economic conditions are expected to remain challenging given the uncertainty over recovery of major global economies and the European debt crisis. Based on International Data Corporation's 2012 projections, Malaysia's economic growth is expected to remain cautiously optimistic. Malaysia Gross Domestic Products for 2012 is forecasted to grow between 2.8% to 5%.

While the Group's business environment is expected to remain challenging, the Group believes that the strategies implemented will continue to contribute to a positive performance. These include the following:

IT related products and services



- Targeted completion and delivery of major contracts under system integration business in transport sector.
- Securing recurring business from existing customers while gaining new business from both existing and new customers.
- Continuously exploring new opportunities in the Middle East.

Bulk mailing outsourcing services

- Capacity expansion in order to secure new customers.
- Promoting value-added services to existing customer base from public and private sector.

Television content services

- Continuously pitching television contents to major television networks.
- Joint movie production partnership with a reputable production company.

Overall, the Group is positive on the outlook for the remaining part of FY2012.



HEITECH PADU BERHAD
Company No: 310628-D

18. VARIANCE ON FORECASTED PROFIT

Not applicable.

19. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter <u>30/09/2012</u> RM'000	Accumulated Current Year <u>30/09/2012</u> RM'000
Interest income	(7)	(307)
Other income (including investment income)	(315)	(2,473)
Interest expense	1,110	3,734
Depreciation of property, plant and equipment	3,734	9,258
Amortisation of prepaid lease payments	-	-
Amortisation of intangible assets	65	65
Impairment loss on trade receivables	2,109	2,109
Bad debts written off	-	-
Inventories written off	-	-
(Gain)/loss on disposal of quoted and unquoted investments	-	-
(Gain)/loss on disposal of property, plant and equipment	(49)	(49)
Impairment of goodwill	-	-
Impairment of other assets	-	-
Impairment of property, plant and equipment	-	-
(Gain)/loss on foreign exchange	-	-
(Gain)/loss on fair value changes of derivatives	-	-
	<u>-</u>	<u>-</u>



HEITECH PADU BERHAD
Company No: 310628-D

20. TAXATION

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

	Current Quarter <u>30/09/2012</u> RM'000	Accumulated Current Year <u>30/09/2012</u> RM'000
Current Taxation	<u>125</u>	<u>867</u>

21. CORPORATE DEVELOPMENTS

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

22. GROUP BORROWINGS AND DEBT SECURITIES

As at 30 September 2012, the Group has the following borrowings which are denominated in Ringgit Malaysia from local financial institutions:-

	<u>Total RM'000</u>
Secured:	
<u>Short Term Borrowings</u>	
Hire purchase creditor due within 12 months	56
Other short term borrowings due within 12 months	<u>94,267</u>
	<u>94,323</u>
<u>Long Term Borrowings</u>	
Hire purchase creditor due after 12 months	-
Other long term borrowings due after 12 months	<u>100,061</u>
	<u>100,061</u>
Total	<u>194,384</u>



HEITECH PADU BERHAD

Company No: 310628-D

23. REALISED AND UNREALISED PROFITS OR LOSSES DISCLOSURE

The breakdown of the retained profits of the Group as at 30 September 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 30/09/2012 RM'000	As at 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	85,628	88,789
- Unrealised	358	358
Total retained profits from associated companies:		
- Realised	5,461	4,073
- Unrealised	-	-
Consolidation adjustments	(7,661)	(8,958)
Total Group retained profits as per consolidated account	<u>83,786</u>	<u>84,222</u>

24. MATERIAL LITIGATIONS

The Group is not engaged in any material litigations, claims or arbitration either as plaintiff or defendant as at 19 November 2012, being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

25. PROPOSED DIVIDEND

There was no dividend proposed in respect of the current financial year during the financial period under review.



HEITECH PADU BERHAD
Company No: 310628-D

26. EARNINGS/(LOSS) PER SHARE

	Current Quarter <u>30/09/2012</u>	Accumulated Current Year <u>30/09/2012</u>
<u>a) Basic</u>		
Net loss attributable to ordinary equity holders of the parent company (RM'000)	(1,373)	(436)
Weighted average number of ordinary shares in Issue ('000)	101,225	101,225
Basic earnings per share (sen)	<u>(1.36)</u>	<u>(0.43)</u>
<u>b) Diluted</u>		
Net loss attributable to ordinary equity holders of the parent company (RM'000)	(1,373)	(436)
Weighted average number of ordinary shares in Issue ('000)	101,225	101,225
Adjusted for :		
Assume shares issued from exercise of options ('000)	4,631	4,631
Effect of the dilution of share option ('000)	105,856	105,856
Diluted earnings per share (sen)	<u>(1.30)</u>	<u>(0.41)</u>



HEITECH PADU BERHAD

Company No: 310628-D

27. SIGNIFICANT EVENTS

- a. On 28 September 2012, Inter-City MPC Sdn Bhd, a wholly-owned subsidiary of the Company, has acquired 1,000,000 ordinary shares in Pro-Office Solutions Sdn Bhd (POSSB) representing 100% of total issued and paid up share capital of POSSB for total cash consideration of RM9,000,000.
- b. On 7 November 2012, the Company has accepted a Letter of Award for the Provision of Maintenance Services for the Main Business ICT System for Jabatan Pendaftaran Negara valued at RM117,785,616 for a period of 2 years commencing from 1 July 2012 to 30 June 2014.

By Order of the Board

KHAERUDDIN BIN SUDHARMIN (LS007037)
AHMAD NOOR BIN SULONG (MAICSA 7062155)

Secretary