



# HEITECH PADU BERHAD

[Registration No. 199401024950 (310628-D)]  
(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For the Quarter and Period Ended 30 September 2024**

**HEITECH PADU BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Individual Quarter		Cumulative Quarter	
	2024	2023	2024	2023
	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	109,077	63,436	233,978	190,938
Other Income	9,975	594	10,723	1,151
Total Income	119,052	64,030	244,701	192,089
Employee Benefits Expense	(22,935)	(21,343)	(64,490)	(66,505)
Purchase of Hardware and Software	(52,526)	(8,208)	(73,090)	(35,717)
Lease Line Rental	(5,933)	(7,003)	(15,372)	(16,867)
Maintenance Costs	(596)	(5,013)	(9,061)	(7,403)
Bulk Mailing Processing Charges	(2,430)	(454)	(8,578)	(4,990)
Depreciation and amortisation	(2,575)	(3,414)	(9,853)	(10,242)
Project Implementation Costs	(16,030)	(17,372)	(34,006)	(35,196)
Other Expenses	(7,431)	(991)	(18,119)	(19,971)
Total Expenditure	(110,456)	(63,798)	(232,569)	(196,891)
Profit/(loss) before Finance Cost	8,596	232	12,132	(4,802)
Finance Cost	(1,529)	(1,131)	(3,798)	(3,445)
Share of Results of Associated Companies	-	-	-	(110)
Profit/(loss) before tax	7,067	(899)	8,334	(8,357)
Taxation	(325)	(337)	(811)	(683)
Profit/(loss) for the year	6,742	(1,236)	7,523	(9,040)
Profit/(loss) attributable to:				
Equity holders of the Parent	6,582	(1,396)	7,163	(9,193)
Non-controlling interests	160	160	360	153
	6,742	(1,236)	7,523	(9,040)
Number of Ordinary Shares	111,348	101,225	111,348	101,225
Profit/(loss) per share attributable to equity holders of the parents:				
Basic profit/(loss) for the period	5.91	(1.38)	6.43	(9.08)
Unaudited Condensed Consolidated Statement of Comprehensive Income				
Shareholders' Funds	6,742	(1,236)	7,523	(9,040)
Foreign currency translation	(2)	411	13	194
Total comprehensive income/(loss)	6,740	(825)	7,536	(8,846)
Total comprehensive income/(loss)				
Equity holders of the Parent	6,580	(985)	7,176	(8,999)
Minority Interest	160	160	360	153
	6,740	(825)	7,536	(8,846)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Accounts for the year ended 31/12/2023. The document forms part of quarterly announcement for quarter ended 30/09/2024.

**HEITECH PADU BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

	<b>Unaudited 2024</b>	<b>Audited 2023</b>
	<b>As at 30 September</b>	<b>As at 31 December</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	106,283	101,385
Right-of-use assets	4,194	7,190
Intangible assets	17,933	18,711
Investment in associates	1,141	1,141
Investment in joint venture	350	350
Other investments	3,080	3,080
Contract cost assets	6,544	6,544
Finance lease receivables	53,232	53,232
<b>TOTAL NON-CURRENT ASSETS</b>	<b>192,757</b>	<b>191,633</b>
<b>CURRENT ASSETS</b>		
Inventories	95	224
Trade and other receivables	62,613	42,469
Contract assets	100,790	35,263
Contract costs assets	129,262	81,479
Prepayments	819	1,137
Tax recoverable	4,069	3,992
Cash and bank balances	48,115	54,259
Finance lease receivables	6,052	18,803
	<u>351,815</u>	<u>237,626</u>
Asset classified as held for sale	-	3,785
<b>TOTAL CURRENT ASSETS</b>	<b>351,815</b>	<b>241,411</b>
<b>CURRENT LIABILITIES</b>		
Contract liabilities	13,386	11,642
Loans and borrowings	150,038	110,451
Trade and other payables	139,604	87,228
Tax payable	221	10
Lease liability	13,447	17,823
<b>TOTAL CURRENT LIABILITIES</b>	<b>316,696</b>	<b>227,154</b>
<b>NET CURRENT ASSETS</b>	<b>35,119</b>	<b>14,257</b>
	<u><b>227,876</b></u>	<u><b>205,890</b></u>
<b>FINANCED BY:</b>		
Share capital	136,652	117,751
Foreign currency translation reserve	(1,191)	(1,204)
Revaluation reserve	50,236	50,236
Accumulated losses	(14,767)	(21,930)
Shareholders' equity	<u>170,930</u>	<u>144,853</u>
Non-controlling interests	8,631	8,671
Shareholders' Funds	<u>179,561</u>	<u>153,524</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	5,677	5,677
Long term borrowings	12,074	6,869
Lease liability	30,564	39,820
Non-current liabilities	<u>48,315</u>	<u>52,366</u>
	<u><b>227,876</b></u>	<u><b>205,890</b></u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.44	1.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Accounts for the year ended 31/12/2023. The document forms part of quarterly announcement for quarter ended 30/09/2024.

**HEITECH PADU BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Non-Distributable			Distributable		Non-Controlling Interests	Total
	Share capital	Foreign Currency Translation Reserve	Revaluation Reserve	Accumulated losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>For the period ended 30 September 2024</b>							
At 1 January 2024	117,751	(1,204)	50,236	(21,930)	144,853	8,671	153,524
<b>Total comprehensive income for the period</b>	-	13	-	7,163	7,176	360	7,536
<b>Transaction with owners</b>							
Increase in share capital	18,901	-	-	-	18,901	-	18,901
Dividend paid to minority interest	-	-	-	-	-	(400)	(400)
At 30 September 2024	<u>136,652</u>	<u>(1,191)</u>	<u>50,236</u>	<u>(14,767)</u>	<u>170,930</u>	<u>8,631</u>	<u>179,561</u>
<b>For the period ended 30 September 2023</b>							
At 1 January 2023	117,751	(893)	-	(29,090)	87,768	9,063	96,831
<b>Total comprehensive loss for the period</b>	-	194	-	(9,193)	(8,999)	153	(8,846)
<b>Transaction with owners</b>							
Dividend paid to minority interest	-	-	-	-	-	(400)	(400)
At 30 September 2023	<u>117,751</u>	<u>(699)</u>	<u>-</u>	<u>(38,283)</u>	<u>78,769</u>	<u>8,816</u>	<u>87,585</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Accounts for the year ended 31/12/2023. The document forms part of quarterly announcement for quarter ended 30/09/2024.

**HEITECH PADU BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD**  
**ENDED 30 SEPTEMBER 2024**

	Year ended 30 September 2024 RM'000	Year ended 31 December 2023 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	8,334	8,567
Adjustments for:		
Depreciation of property, plant and equipment	5,513	9,443
Depreciation of right-of-use assets	2,903	3,558
Finance costs on:		
- loans and borrowing	3,235	3,721
- lease liability	563	594
Impairment loss on:		
- trade receivables	86	915
- intangible assets	-	23
- contract cost assets	-	778
Reversal of impairment loss on:		
- trade receivables	-	(609)
Inventories written down	-	21
Amortisation of intangible assets	1,415	1,218
Share of results of associates	-	39
Gain on disposal of property, plant and equipment	(9,376)	(278)
Gain on disposal asset held for sale	-	(770)
Hibah income	(495)	(603)
Loss/(gain) on lease modification	93	(41)
Gain on net investment in sublease	-	(24,299)
Finance income on lease receivables	(434)	(121)
Written off on:		
- property, plant and equipment	-	1
Amortisation of project cost	22	-
<b>Operating cash flows before changes in working capital</b>	<b>11,859</b>	<b>2,246</b>
<b>Changes in working capital</b>		
Inventories	129	(10)
Trade and other receivables	(20,230)	(11,190)
Contract assets	(65,527)	19,743
Contract costs assets	(47,805)	(958)
Prepayments	318	(514)
Contract liabilities	1,744	5,774
Trade and other payables	52,376	14,977
<b>Cash flows (used in)/generated from operations</b>	<b>(67,136)</b>	<b>30,068</b>
Interest received	434	121
Interest paid	(563)	(594)
Tax refund	211	33
Tax paid	-	(1,578)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(67,054)</b>	<b>28,050</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,618)	(9,212)
Hibah received	495	603
Proceeds from disposal of property, plant and equipment	13,369	2,609
Software development costs incurred	(637)	(5,961)
Proceed from finance lease receivable	8,007	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>10,616</b>	<b>(11,961)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	18,900	-
Net proceeds/(repayment) from loans and borrowings	44,741	(851)
Net deposit placement to securities for bank borrowings	(374)	(3,367)
Payment of lease liabilities	(13,632)	(8,587)
Dividend paid to non-controlling interest	(200)	(400)
Lease payment received	4,744	6,823
Interest paid	(3,235)	(3,721)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>50,944</b>	<b>(10,103)</b>
<b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(5,494)</b>	<b>5,986</b>
Effect of exchange rate changes on cash and cash equivalents	14	(220)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>10,079</b>	<b>4,313</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>4,599</b>	<b>10,079</b>
<b>CASH &amp; CASH EQUIVALENTS COMPRISE:</b>		
Cash at banks and on hand	24,995	31,513
Deposits with licensed banks	23,120	22,746
Bank overdrafts	(20,396)	(21,434)
Deposit pledged as securities for bank borrowings	(23,120)	(22,746)
	<b>4,599</b>	<b>10,079</b>

**UNAUDITED RESULTS FOR  
THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

**Notes to The Financial Statements**

**1. BASIS OF PREPARATION**

The interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, the International Accounting Standard ("IAS") 34 Interim Financial Reporting and the requirements of the Companies Act 2016 in Malaysia, where applicable. The interim financial statements have also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

**2. CHANGES IN ACCOUNTING POLICIES**

**2.1 Adoption of Amendments to Standards**

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2023, except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact to the Group's financial statements for the current financial year.

- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments:  
Disclosure - Supplier Finance Arrangements

**2.2 Standards issued but not yet effective**

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective to the Group.

**Effective for financial periods beginning on or after 1 January 2025.**

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - *Lack of Exchangeability*

**Effective for financial periods beginning on or after 1 January 2026.**

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to MFRS Accounting Standards - Volume 11

**Effective for financial periods beginning on or after 1 January 2027.**

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

**Effective date of these Amendments to Standards has been deferred, and yet to be announced**

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact on the Group's financial statements.

**3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was unmodified.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

Other than disclosed in the financial statements, there were no unusual items affecting the financial statements for the financial period under review.

**6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that materially affect the financial statements for the financial period under review.

**7. DEBTS AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the financial period under review.

**8. DIVIDENDS PAID**

There was no dividend paid in the financial period under review.

**9. VALUATION OF PROPERTY, PLANT & EQUIPMENT**

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

**10. CONTINGENT LIABILITIES**

There were no contingent liabilities for the Group as at 14 November 2024 being the latest practicable date, which is not earlier than seven days from the date of issuance of this quarterly announcement.

**11. CAPITAL COMMITMENT**

The amount of commitments for purchase of property, plant & equipment not provided for in the financial statements for the period ended 30 September 2024 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>1,669</u>

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

There was no change to the composition of the Group for the current quarter under review.

## 13. SEGMENTAL REPORTING

The business pillars of the Group has been segmented into Market Group.

### 1. Technology Market Group (TMG)

TMG business offerings are mainly focusing on system integration, application development and infrastructure managed services for the Public, Private and Government Link Agencies Sector.

### 2. Investment Market Group (IMG)

IMG offerings ranges from various sectors focusing on products other than system integration. It represents various offerings in different sectors like commercials, small and medium enterprises, local councils and state governments by the Group's subsidiaries. The offerings range from bulk mailing and outsourcing services, automotive/insurance claims platform services, mobile application, cooperative and smart council systems and smart parking services.

### 3. Niche Market Group (NMG)

NMG carries the uniqueness of the Group's business activities as opposed to the Group's IT related sectors. This groups have been strategically position under the Health sector, Defence sector, Renewable Energy and e-Driving.

For the period ended 30 September 2024	TMG	IMG	NMG	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
<b>REVENUE</b>					
External	175,508	40,495	18,961	(986)	233,978
<b>RESULT</b>					
Profit/(loss) profit after tax	9,745	3,697	(5,371)	(548)	7,523
Non-controlling interest	-	360	-	-	360
Profit/(loss) attributable to equity holders of the Parent (PATAMI)	9,745	3,337	(5,371)	(548)	7,163
For the period ended 30 September 2023	TMG	IMG	NMG	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
<b>REVENUE</b>					
External	134,374	40,340	18,276	(2,052)	190,938
<b>RESULT</b>					
(Loss)/profit after tax	(3,701)	1,089	(5,828)	(600)	(9,040)
Non-controlling interest	-	-	153	-	153
(Loss)/profit attributable to equity holders of the Parent (PATAMI)	(3,701)	1,089	(5,981)	(600)	(9,193)



#### **14. REVIEW OF PERFORMANCE**

The Group recorded higher revenue of RM233,978,000 for the period ended 30 September 2024, an increase by RM43,040,000 from a revenue of RM190,938,000 for the period ended 30 September 2023.

The Group recorded profit before taxation and profit after taxation of RM8,334,000 and RM7,523,000 respectively for the period ended 30 September 2024, compared to loss before taxation and loss after taxation of RM8,357,000 and RM9,040,000 for the period ended 30 September 2023. The profit is mainly contributed by the gain from disposal of land and building.

#### **15. COMPARISONS WITH PRECEDING QUARTER'S RESULTS**

The Group recorded higher revenue at RM109,077,000 for the current quarter ended 30 September 2024 as compared to RM63,268,000 in the preceding quarter ended 30 June 2024.

As a result, the Group recorded profit before taxation of RM7,067,000 and profit after taxation RM6,742,000 for the quarter ended 30 September 2024, compared to profit before taxation of RM766,000 and profit after taxation of RM550,000 for the quarter ended 30 June 2024.

#### **16. COMMENTARY ON PROSPECTS**

According to Bank Negara Malaysia Economic and Financial Developments in Malaysia in the Third Quarter of 2024, the Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

All these will impact the Group's business. The Group shall continue to implement relevant strategies which include securing recurring business from existing customers while gaining new business from both existing and new markets.

#### **17. VARIANCE ON FORECASTED PROFIT**

Not applicable.

## 18. TAXATION

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

	Current Quarter 30/9/2024 RM'000	Accumulated Current Quarter 30/9/2024 RM'000
Current expenses on taxation	(325)	(811)

## 19. CORPORATE PROPOSAL

Private Placement of up to 10,122,520 New Ordinary Shares in HeiTech Padu Berhad ("HeiTech" or "Company"), representing up to 10% of total number of issued shares of HeiTech ("Private Placement").

We refer to the announcement dated 17 April 2024, 22 April 2024, 26 April 2024, 7 May 2024, 14 June 2024, 20 June 2024, 18 July 2024 and 25 July 2024 in relation to the Private Placement ("Announcements"). Unless otherwise defined, the definitions set out in the Announcements shall apply herein.

On 14 June 2024, the Company announced to fix the issue price for the Private Placement at RM1.73 per Placement Share. As at 20 June 2024, the Company allotted a total of 5,162,485 no of HeiTech shares with a total proceeds of RM8,931,099.05 has been raised from the 1st tranche of the Proposed Private Placement.

On 18 July 2024, the Company announced to fix the issue price for the Private Placement at RM2.01 per Placement Share. As at 25 July 2024, the Company allotted a total a total of 4,960,035 no of HeiTech shares with a total proceeds of RM9,969,670.35 has been raised from the final tranche of the Proposed Private Placement.

On 26 July 2024, the Company announced that the Proposed Private Placement is deemed completed.

No	Description	First Tranche issued on 20 June 2024	Second Tranche issued on 25 July 2024
(a)	The status on each of the event, project or purpose for which the total proceeds raised from the Private Placement.	The proceeds from the Private Placement have been fully utilised as at the 29 August 2024 as disclosed under item (d) below.	
(b)	Where relevant, details on where the balance of proceeds raised being placed (pending utilisation). If it is parked with asset management company/fund manager, to disclose the name of the asset management; and	Not applicable.	Not applicable.
(c)	The summary of the Placement Shares issued and allotted as follows:		
(i)	Date of price fixing and issuance date of the Placement Shares (each tranche);	Date of price fixing: 14 June 2024 and Issuance date of Placement Shares: 20 June 2024.	Date of price fixing: 18 July 2024 and Issuance date of Placement Shares: 25 July 2024.
(ii)	Quantity of the Placement Shares issued and allotted	5,162,485	4,960,035

**19. CORPORATE PROPOSAL (CONT'D)**

Private Placement of up to 10,122,520 New Ordinary Shares in HeiTech Padu Berhad ("HeiTech" or "Company"), representing up to 10% of total number of issued shares of HeiTech ("Private Placement"). (Cont'd)

No	Description	First Tranche issued on 20 June 2024	Second Tranche issued on 25 July 2024	
(c)	The summary of the Placement Shares issued and allotted as follows (cont'd):			
	(iii)	Issued price and basis in arriving at (each tranche); and	Issue price: RM1.7300 per Placement Share.	Issue price: RM 2.0100 per Placement Share.
			Basis: At a discount of approximately 9.77% to the 5-day VWAMP of HeiTech Shares up to and including 13 June 2024, being the last traded day of HeiTech Shares immediately preceding the Price-Fixing Date of RM1.9173 per HeiTech Shares.	Basis: At a discount of approximately 9.74% to the 5-day VWAMP of HeiTech Shares up to and including 17 July 2024, being the last traded day of HeiTech Shares immediately preceding the Price-Fixing Date of RM2.2270 per HeiTech Share.
	(iv)	Aggregate number of Placement Shares issued and allotted as at the date of this report	Aggregate 10,122,520 Placement Shares were issued as at the quarter under review.	
(d)	Utilisation of proceeds			
No	Purpose	Further Breakdown	Propose Utilisation RM'000	Actual Utilisation RM'000
1	Payment of staff salaries and employer's statutory contributions	Directors / Executive Directors Senior Management Other employees	500 1,000 8,000	412 823 6,585
2	Office administrative, utilities and overhead expenses	Office rental Utilities Upkeep of office Marketing, public relations Motor vehicle running costs	1,200 1,800 300 194 150	988 1,482 247 160 123
3	Payment to suppliers and creditors	Suppliers and creditors	9,500	7,819
4	Expenses in relation to the Proposed Private Placement	Professional fees	334	262
		<b>Total</b>	<b>22,978</b>	<b>18,901</b>

## 20. GROUP BORROWINGS AND DEBT SECURITIES

As at 30 September 2024, the Group has the following borrowings which are denominated in Ringgit Malaysia from local financial institutions:-

<b>Secured:</b>	<b>RM'000</b>
<u>Short Term Borrowings</u>	
Hire purchase creditor due within 12 months	-
Other short term borrowings due within 12 months	150,038
	<u>150,038</u>
<u>Long Term Borrowings</u>	
Hire purchase creditor due after 12 months	-
Other long term borrowings due after 12 months	12,074
	<u>12,074</u>
<b>Total</b>	<u>162,112</u>

## 21. MATERIAL LITIGATION

a. Pertubuhan Keselamatan Sosial ("Plaintiff") vs HeiTech Padu Berhad ("Defendant")

On 28 February 2023, the Defendant received a Writ of Summons and Statement of Claim both dated 23 February 2023, filed by the Plaintiff at the High Court. Plaintiff is claiming that the Defendant in breach of the contract for services rendered to the Plaintiff in respect of the "Merekabentuk, Membangun, Membekal, Menghantar, Memasang, Mengintegrasikan, Menguji, Melatih, Deploy, Mentauliah Dan Waranti Bagi Sistem Aplikasi Scheme Management" (Designing, Developing, Supplying, Delivering, Installing, Integrating, Testing, Training, Deploying, Commissioning and Warranties for the Scheme Management Application System) ("Agreement").

The reliefs sought by Plaintiff in the action are as follows:

1. The sum of RM8,491,377.12 being payments previously made by the Plaintiff to the Defendant under the Agreement;
2. The sum of RM984,783.33 being the Liquidated Ascertained Damages ("LAD") imposed under the Agreement;
3. The sum of RM16,887,208.58 being loss of expenses for the existing system until August 2021;
4. Interest on all sums ordered to be paid by the Defendant to the Plaintiff at the rate of 5% per annum calculated from the date of judgement until the date of full settlement;
5. Costs; and
6. Such further relief and/or orders as the Honorable Court deems fit.

The Defendant in their Defence and Counterclaim seeks the following relief:-

1. The sum of RM6,615,157.61 for work done until the Plaintiff's unilateral termination on 25 June 2021;
2. The sum of RM6,539,141.39 being expectation loss as a result the said termination;
3. The sum of RM1,726,258.61 for the additional works done and supply of Hardware, Software and Services;
4. General damages to be assessed by this Honourable Court, where applicable;
5. Pre-judgment interest on all sum ordered to be paid by the Plaintiff to the Defendant at the rate of 5% per annum calculated from the date of termination of 25 June 2021 until the date of judgement;
6. Post-judgment interest on all sum ordered to be paid by the Plaintiff to the Defendant at the rate of 5% per annum calculated from the date of judgement until full settlement;
7. Costs; and
8. Any other reliefs that this Honourable Court deems fit and proper.

A Hearing was held on 9 August 2023 in relation to Defendant's application under Order 14A and Order 33 Rules of Court 2012: To Summarily Determine the Plaintiff's Claim ("Application"). The Order 14A Application for the Disposal of Case on Point of Law shall be reheard on 22 November 2024 before the High Court Judge due to the change of judge presiding over the matter.

## 21. MATERIAL LITIGATION (CONT'D)

b. ESDC Technology Sdn Bhd ("Plaintiff") vs HeiTech Padu Berhad ("Defendant")

The Plaintiff is claiming against the Defendant for a purported outstanding payment of RM2,730,000 for services allegedly rendered by the Plaintiff to the customer. The full trial proceeded on the 21 November 2022 and 22 November 2022 respectively. On 28 March 2023, the High Court has dismissed the Plaintiff's claim. On 19 April 2023, the Plaintiff has filed a Notice of Appeal to the Court of Appeal. Subsequent to the Hearing of the Appeal on 22 April 2024, the Court of Appeal decided in favour of Defendant.

Subsequently, the Plaintiff had filed a Notice of Motion seeking leave to appeal to the Federal Court and the Federal Court has on 1 October 2024 decided in favour of the Defendant and has given an order for costs of RM30,000.00 to be paid by the Plaintiff to the Defendant. This matter is formally closed.

## 22. PROPOSED DIVIDEND

There was no dividend proposed for the financial period under review.

## 23. PROFIT PER SHARE

	<b>Current Quarter 30/9/2024</b>	<b>Accumulated Current Quarter 30/9/2024</b>
<u>a) Basic</u>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	6,582	7,163
Weighted average number of ordinary shares in issue ('000)	111,348	111,348
<b>Basic profit per share (sen)</b>	<b>5.91</b>	<b>6.43</b>

b) Diluted

There is no transaction undertaken by the Group during the period that has a potential dilutive effect.

## 24. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	<b>Current Quarter 30/9/2024 RM'000</b>	<b>Accumulated Current Quarter 30/9/2024 RM'000</b>
Interest income	(145)	(495)
Interest expense	1,529	3,798
Depreciation of property, plant and equipment	2,400	8,416
Amortisation of intangible assets	168	1,415
Amortisation of project cost	7	22
Impairment loss on :		
- Trade receivables	13	86

## 25. SIGNIFICANT EVENTS

- a. On 13 September 2024, the Company has accepted and signed the Letter of Award ("LOA") from Road Transport Department Malaysia ("JPJ") for Tender Membangun, Membekal, Menghantar, Memasang, Mengkonfigurasi, Mengintegrasikan, Menguji dan Mentauliah Perkakasan, Perisian Dan Sistem Digital JPJ (Revamp) commencing from 1 October 2024 to 30 September 2027. The Contract Value is RM133,732,308.96 (inclusive of 8% Service Sales Tax).
- b. On 27 September 2024, the Company announced that its wholly owned subsidiary, Synergy Grid Sdn Bhd ("SG") has entered into a Share Subscription Agreement ("SSA") on 26 September 2024 to subscribe 10,779,000 new ordinary shares in Souqa Fintech Sdn Bhd ("SF"), representing 30% equity interest in the enlarge issued and paid up share capital of SF for a total consideration of RM16,168,500 or RM1.50 per share in which RM11,000,000.00 to paid in cash and RM5,168,500.00 in kind.

## 26. SUBSEQUENT EVENTS

- a. Subsequent to announcement dated 27 September 2024, the Company through its wholly owned subsidiary Synergy Grid Sdn Bhd had on 7 October 2024 sent out Notice of Rescission under Clause 3.3 of the SSA dated 26 September 2024. Accordingly, the SSA shall no longer be in force and effect with immediate effect.
- b. On 18 October 2024, the Company accepted and signed the LOA for Perkhidmatan Mengkaji, Mencadang, Mereka Bentuk, Membangun, Membekal, Menghantar, Memasang, Menguji, Mengintegrasikan, Memigrasi dan Mensinkronisasi Data, Mentauliah serta Melaksanakan Pengurusan Perubahan dan Latihan bagi Projek Sistem Imigresen Bersepadu Nasional ("NIISe") untuk Jabatan Imigresen Malaysia ("JIM") commencing from 18 October 2024 to 17 October 2029. The Contract Value is RM892,199,940.00 (inclusive of 8% Service Sales Tax).

By Order of the Board

**ZAINAL AMIR BIN AHMAD (LS0010080)**

**AMIR ZAHINI BIN SAHRIM (MAICSA 7034464)**

Company Secretaries