



HEITECH PADU BERHAD

[Registration No. 199401024950 (310628-D)]

(Incorporated in Malaysia)

Unaudited Interim Financial Report For the Quarter and Period Ended 31 March 2025

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2025

	Individual Quarter		Cumulative Quarter	
	2025	2024	2025	2024
	Current quarter ended 31 March	Comparative quarter ended 31 March	3 months cumulative to date	Comparative 3 months cumulative to date
	RM'000	RM'000	RM'000	RM'000
Revenue	73,879	61,633	73,879	61,633
Other Income	729	340	729	340
Total Income	74,608	61,973	74,608	61,973
Employee Benefits Expense	(16,683)	(20,104)	(16,683)	(20,104)
Purchase of Hardware and Software	(19,110)	(10,116)	(19,110)	(10,116)
Lease Line Rental	(7,416)	(4,980)	(7,416)	(4,980)
Maintenance Costs	(1,499)	(3,382)	(1,499)	(3,382)
Bulk Mailing Processing Charges	(2,235)	(3,064)	(2,235)	(3,064)
Depreciation and amortisation	(3,277)	(3,488)	(3,277)	(3,578)
Net reversal/(impairment) of impairment of financial assets	1,368	(90)	1,368	(90)
Project Implementation Costs	(8,985)	(9,763)	(8,985)	(9,763)
Other Expenses	(5,286)	(5,478)	(5,286)	(5,388)
Total Expenditure	(63,123)	(60,465)	(63,123)	(60,465)
Profit before Finance Cost	11,485	1,508	11,485	1,508
Finance Cost	(1,373)	(1,007)	(1,373)	(1,007)
Profit before tax	10,112	501	10,112	501
Taxation	(173)	(270)	(173)	(270)
Profit for the year	9,939	231	9,939	231
Profit attributable to:				
Equity holders of the Parent	9,969	132	9,969	132
Non-controlling interests	(30)	99	(30)	99
	9,939	231	9,939	231
Number of Ordinary Shares	111,348	101,225	111,348	101,225
Profit per share attributable to equity holders of the parents:				
Basic profit for the period	8.95	0.13	8.95	0.13
Unaudited Condensed Consolidated Statement of Comprehensive Income				
Shareholders' Funds	9,939	231	9,939	231
Foreign currency translation	-	15	-	15
Total comprehensive income	9,939	246	9,939	246
Total comprehensive income				
Equity holders of the Parent	9,969	392	9,969	240
Minority Interest	(30)	(146)	(30)	7
	9,939	246	9,939	246

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Accounts for the year ended 31/12/2024. The document forms part of quarterly announcement for quarter ended 31/03/2025.

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Unaudited 2025 As at 31 March RM'000	Audited 2024 As at 31 December RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	117,376	119,067
Right-of-use assets	5,474	6,271
Intangible assets	14,573	15,051
Investment in joint operation	243	243
Other investments	3,080	3,080
Contract cost assets	658	901
Lease receivables	29,758	34,136
TOTAL NON-CURRENT ASSETS	171,162	178,749
CURRENT ASSETS		
Inventories	119	26
Trade and other receivables	109,964	53,898
Contract assets	117,912	107,359
Contract costs assets	153,481	135,386
Prepayments	3,446	1,141
Tax recoverable	887	3,697
Cash and bank balances	64,835	52,163
Lease receivables	18,347	18,578
TOTAL CURRENT ASSETS	468,991	372,248
CURRENT LIABILITIES		
Contract liabilities	17,524	11,511
Loans and borrowings	262,905	188,329
Trade and other payables	117,277	117,708
Tax payable	185	306
Lease liabilities	15,667	16,298
TOTAL CURRENT LIABILITIES	413,558	334,152
NET CURRENT ASSETS	55,433	38,096
	226,595	216,845
FINANCED BY:		
Share capital	136,652	136,652
Foreign currency translation reserve	(1,190)	(1,190)
Revaluation reserve	53,182	53,182
Accumulated losses	(5,040)	(15,009)
Shareholders' equity	183,604	173,635
Non-controlling interests	8,593	8,623
Shareholders' Funds	192,197	182,258
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,548	2,559
Long term borrowings	9,109	5,775
Lease liabilities	22,741	26,253
Non-current liabilities	34,398	34,587
	226,595	216,845
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.59	1.49

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Accounts for the year ended 31/12/2024. The document forms part of quarterly announcement for quarter ended 31/03/2025.

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025

	Non -Distributable			Distributable			
	Share capital	Foreign Currency Translation Reserve	Revaluation Reserve	Accumulated losses	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 31 March 2025							
At 1 January 2025	136,652	(1,190)	53,182	(15,009)	173,635	8,623	182,258
Total comprehensive income for the period	-	-	-	9,969	9,969	(30)	9,939
At 31 March 2025	136,652	(1,190)	53,182	(5,040)	183,604	8,593	192,197
For the period ended 31 March 2024							
At 1 January 2024	117,751	(1,204)	50,236	(21,930)	144,853	8,671	153,524
Total comprehensive income for the period	-	15	-	132	147	99	246
At 31 March 2024	117,751	(1,189)	50,236	(21,798)	145,000	8,770	153,770

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Accounts for the year ended 31/12/2024. The document forms part of quarterly announcement for quarter ended 31/03/2025.

HEITECH PADU BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD
ENDED 31 MARCH 2025

	Period ended 31 March 2025 RM'000	Year ended 31 December 2024 RM'000
OPERATING ACTIVITIES		
Profit before tax	10,112	5,527
Adjustments for:		
Depreciation of property, plant and equipment	1,908	8,136
Depreciation of right-of-use assets	823	3,888
Finance costs on:		
- loans and borrowing	1,081	4,961
- lease liability	292	669
Impairment loss on:		
- trade receivables	-	1,409
- other receivables	-	2,864
- investment in associates	-	1,141
- intangible assets	-	1,702
- contract cost assets	-	2,475
Reversal of impairment loss on:		
- trade receivables	(1,368)	(176)
Inventories written down	-	37
Amortisation of intangible assets	539	2,624
Amortisation of contract cost asset	7	-
Gain on disposal of property, plant and equipment	-	(40)
Gain on disposal asset held for sale	-	(10,170)
Hibah income	(110)	(552)
Gain on lease modification	-	150
Finance income on lease receivables	(281)	(785)
Written off on:		
- software development cost	-	82
Operating cash flows before changes in working capital	13,003	23,942
<u>Changes in working capital</u>		
Inventories	(93)	161
Trade and other receivables	(54,698)	(15,526)
Contract assets	(10,553)	(72,096)
Contract costs assets	(17,859)	(50,739)
Prepayments	(2,305)	(4)
Contract liabilities	6,013	(131)
Trade and other payables	(313)	31,638
Cash flows used in operations	(66,805)	(82,755)
Interest received	281	785
Interest paid	-	(669)
Tax refund	2,810	-
Tax paid	-	(1,317)
Net cash flows used in operating activities	(63,714)	(83,956)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(217)	(22,742)
Hibah received	110	552
Proceeds from disposal of property, plant and equipment	-	231
Software development costs incurred	(62)	(748)
Investment in a joint venture	-	(415)
Proceed from disposal of assets held for sale	-	13,955
Net cash flows used in investing activities	(169)	(9,167)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	18,901
Net proceeds from loans and borrowings	72,489	64,489
Net deposit (placement)/upliftment to securities for bank borrowings	(4,236)	2,194
Payment of lease liabilities	(4,313)	(18,632)
Dividend paid to non-controlling interest	-	(400)
Lease payment received	4,609	19,321
Interest paid	(1,081)	(4,961)
Net cash flows generated from financing activities	67,468	80,912
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	3,585	(12,211)
Effect of exchange rate changes on cash and cash equivalents	-	14
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(2,119)	10,078
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,466	(2,119)
CASH & CASH EQUIVALENTS COMPRISE:		
Cash at banks and on hand	40,047	31,610
Deposits with licensed banks	24,789	20,553
Bank overdrafts	(38,581)	(33,729)
Deposit pledged as securities for bank borrowings	(24,789)	(20,553)
	1,466	(2,119)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Accounts for the year ended 31/12/2024. The document forms part of quarterly announcement for quarter ended 31/03/2025.

**UNAUDITED RESULTS FOR
THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

Notes to The Financial Statements

1. BASIS OF PREPARATION

These condensed consolidated financial statements ("Condensed Report") 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. This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024. The explanatory notes attached to the Condensed Report 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 2024.

2. 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 2024, except for the Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates-Lack of Exchangeability which was adopted at the beginning of the current financial period. This pronouncement does not have any material impact to the Group's financial statements for the current financial period.

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 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
- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures -
Contracts Referencing Nature-dependent Electricity

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 2024 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 23 May 2025 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 31 March 2025 are as follows:

	RM’000
Approved and contracted for	<u>776</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 segmentation of the Group has been redefined based on its organizational structure to better reflect the decision-making processes and challenges faced by various entities and ensuring a more streamlined approach to address distinct operational needs within the Group.

1. Public Sector Group (PBG)

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

2. Private Sector Group (PSG)

PSG business offerings are mainly focusing on system integration and infrastructure managed services for the Private and Government Link Company Sector.

3. Investments Group (IG)

IG represents various offerings in different sectors like commercials, small and medium enterprises, local councils and state governments by the Group's subsidiaries. The focus offerings are other than the system integration and infrastructure managed services such as bulk mailing and outsourcing services, automotive/insurance claims platform services, mobile application, cooperative, smart council systems, smart parking services, renewable energy and e-Driving.

For the year ended 31 March 2025	PBG	PSG	IG	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE					
External	43,864	17,791	12,525	(301)	73,879
RESULT					
Profit/(loss) profit after tax	14,042	(2,469)	(1,572)	(62)	9,939
Non-controlling interest	-	-	(30)	-	(30)
Profit/(loss) attributable to equity holders of the Parent (PATAMI)	14,042	(2,469)	(1,542)	(62)	9,969

For the year ended 31 March 2024	PBG	PSG	IG	Consolidation Adjustments	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE					
External	27,094	19,704	15,292	(457)	61,633
RESULT					
Profit/(loss) after tax	3,438	(3,193)	383	(397)	231
Non-controlling interest	-	-	99	-	99
Profit/(loss) attributable to equity holders of the Parent (PATAMI)	3,438	(3,193)	284	(397)	132

14. REVIEW OF PERFORMANCE

The Group recorded higher revenue of RM73,879,000 for the period ended 31 March 2025, an increase by RM12,246,000 from a revenue of RM61,633,000 for the period ended 31 March 2024.

As a result, the Group recorded profit before taxation and profit after taxation of RM10,112,000 and RM9,939,000 respectively for the period ended 31 March 2025, compared to profit before taxation and profit after taxation of RM501,000 and RM231,000 for the period ended 31 March 2024.

15. COMPARISONS WITH PRECEDING QUARTER'S RESULTS

The Group recorded a lower revenue at RM73,879,000 for the current quarter ended 31 March 2025 as compared to RM102,993,000 in the preceding quarter ended 31 December 2024.

As a result, the Group recorded profit before taxation of RM10,112,000 and profit after taxation RM9,939,000 respectively for the quarter ended 31 March 2025, compared to loss before taxation of RM2,808,000 and loss after taxation of RM466,000 for the quarter ended 31 December 2024 due to higher margin from the new secured contracts.

16. COMMENTARY ON PROSPECTS

According to Bank Negara Malaysia Economic and Financial Developments in Malaysia in the First Quarter of 2025, the Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics (E&E) exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities. Malaysia's 2025 growth will be affected by the escalation in trade tensions and the heightened policy uncertainties. The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture.

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

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 31/3/2025 RM'000	Accumulated Current Quarter 31/3/2025 RM'000
Current expenses on taxation	(173)	(173)

19. CORPORATE PROPOSAL

There was no corporate proposal announced that is not completed as at the reporting date

20. GROUP BORROWINGS AND DEBT SECURITIES

As at 31 March 2025, the Group has the following borrowings which are denominated in Ringgit Malaysia from local financial institutions:-

Secured:	RM'000
<u>Short Term Borrowings</u>	
Hire purchase creditor due within 12 months	2,139
Other short term borrowings due within 12 months	260,766
	<u>262,905</u>
<u>Long Term Borrowings</u>	
Hire purchase creditor due after 12 months	3,239
Other long term borrowings due after 12 months	5,870
	<u>9,109</u>
Total	<u>272,014</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.

21. MATERIAL LITIGATION (CONT'D)

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

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"). On 21 March 2025, the Court was of the view that as there are multiple issues, the matter should proceed to trial and did not grant the Company's application for an Order 14A (Application for the Disposal of Case on Point of Law). The Court has scheduled the next Case Management on 11 June 2025 to update the Court on the filing of pre-trial documents and the Court has fixed the trial dates between 5 to 17 March 2026.

22. PROPOSED DIVIDEND

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

23. PROFIT PER SHARE

	Current Quarter 31/3/2025	Accumulated Current Quarter 31/3/2025
<u>a) Basic</u>		
Net profit attributable to ordinary equity holders of the parent company (RM'000)	9,969	9,969
Weighted average number of ordinary shares in issue ('000)	111,348	111,348
Basic profit per share (sen)	8.95	8.95
<u>b) Diluted</u>		

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:

	Current Quarter 31/3/2025 RM'000	Accumulated Current Quarter 31/3/2025 RM'000
Interest income	(110)	(110)
Interest expense		
- loans and borrowing	1,081	1,081
- lease liability	292	292
Depreciation of property, plant and equipment		
- property, plant and equipment	1,908	1,908
- right-of-use assets	823	823
Amortisation of intangible assets	539	539
Amortisation of project cost	7	7
Reversal of impairment loss on:		
- Trade receivables	(1,368)	(1,368)

25. SIGNIFICANT EVENTS

- a. On 17 January 2025, the Company accepted and signed the Letter of Award ("LOA") for an extension of the Contract for Perkhidmatan Penyelenggaraan Sistem Aplikasi MYIMMS Secara Komprehensif di Jabatan Imigresen Malaysia (JIM) ("Contract") commencing from 18 February 2025 to 17 February 2027. The Contract Value is RM28,259,340.00 (inclusive of 8% Sales & Service Tax).
- b. On 24 February 2025, the consortium of Voith Hydro GmbH & Co KG ("Voith") and the Company received a Letter of Acceptance dated 21 February 2025 for Life Extension Program of Sungai Perak Hydroelectric Scheme – The Engineering, Procurement, Construction, and Commissioning Contracts – Electrical, Mechanical & Associated Civil Works for SJ Temengor, SJ Bersia and SJ Kenering ("Contract") from TNB Power Generation Sdn Bhd. The Contract Value is €291,429,939.75 and RM1,036,988.11 only inclusive sales and service tax.

The Company's involvement of the Contract value is RM 902,961,663.74 only inclusive of sales and service tax. The Contract shall be valid, binding, enforceable and effective from the date of the Letter of Acceptance. The Commencement Date shall be on 31 March 2025. The duration of the Contract shall be up to 100 months from the Commencement Date.

26. SUBSEQUENT EVENTS

- a. On 10 April 2025, the Company entered into a Memorandum of Understanding ("MOU") with Maiyue Technology Limited ("MTL"), to collaborate in establishing a strategic partnership in the field of AI computing power cloud services. The two parties have agreed to integrate high-quality resources to jointly build an AI computing power center, providing efficient AI computing services for local users. The "AI cloud computing power" initiative delivers high-performance computing resources to internet service industry clients via 10-gigabit optical networks or serves household and individual end-users through client software over conventional internet connections ("Agreed AI Project").

26. SUBSEQUENT EVENTS (CONT'D)

- b. On 10 April 2025, the Company entered into a Memorandum of Understanding ("MOU") with Huawei Technologies (Malaysia) Sdn Bhd ("Huawei") and MY E.G. Services Berhad ("MyEG") in relation to working together for the purposes of Cloud and AI enabled smart government services cooperation. The MOU is effective immediately from the date of the execution of the MOU and shall remain in effect for a period of twelve (12) months from the date of the MOU unless earlier termination based on the terms stated in the MOU.
- c. On 9 May 2025, the Company announced the proposals of the following:
 - (i) Proposed diversification of the existing business of HeiTech and its subsidiaries to include the business of development, ownership, operation and maintenance of renewable energy power plant as well as related engineering, procurement, construction and commissioning services in relation to energy solutions;
 - (ii) Proposed bonus issue of 27,836,955 new ordinary shares in HeiTech ("Shares") ("Bonus Shares") on the basis of 1 Bonus Share for every 4 existing Shares held on an entitlement date to be determined and announced later ("Proposed Bonus Issue"); and
 - (iii) Proposed private placement of up to 27,836,955 new Shares, representing up to 20% of the enlarged total number of issued Shares after the completion of the Proposed Bonus Issue.

By Order of the Board

ZAINAL AMIR BIN AHMAD (LS0010080)

Company Secretaries