



# SUSTAINABLE DIGITAL FUTURE



## COVER RATIONALE

This cover captures HeiTech's forward-thinking vision – where technological advancement doesn't come at the cost of nature, but grows in harmony with it. It represents the company's **commitment to responsible digital transformation in line with ESG values.**

Every building, road, and garden seen in the visual speaks to the interconnectedness between the natural world and digital frameworks – an ecosystem where technology doesn't just exist, but coexists. This perfectly mirrors HeiTech's mission to **integrate sustainable practices into digital evolution**, from intelligent systems that optimise energy use to infrastructure ready for renewable integration. The cover reflects a future where data flows alongside solar grids, and innovation thrives in balance with biodiversity – **a world powered by technology, guided by nature.**



30 remarkable years of digital innovation and success at HelTech Padu Berhad. The ability to adapt to the ever-changing digital world has been crucial to sustained growth. From pioneering new technologies to creating impactful solutions, all have been vital in shaping this success story.



## 1994-2003 Modernisation



## 2004-2013 Transformation

# 2014-2024 Digitalisation



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- Form of Proxy



You can find this Annual Report and additional information about HeiTech Padu Berhad on our corporate website.

# BASIS OF THIS REPORT

## NAVIGATION ICONS

### Our Capitals

	Financial		Human
	Manufactured		Natural
	Intellectual		Social and Relationship

### Key Risks

	Human Capital		Diversification
	Business and Corporate		Money Laundering and Terrorism Financing (ML/TF)
	Operational		Environmental, Social and Governance (ESG)
	Technology and Information		

### Strategies

	Market Retention and Expansion		Strategic Alliance
	Expansion of Product Mix		Accredited Management System
	Technological Innovation		Human Capital Development

### Materiality

	Investors and Shareholders		Government and Regulators
	Customers		Supply Chain and Business Partners
	Employees		Communities and NGOs

### Stakeholder

	Employees		Customers
	Shareholders		Partners / Vendors
	Community		Government / Regulatory Body / Authority
	Supply Chain and Business Partners		

### Related UN SDGs

	3 GOOD HEALTH AND WELL-BEING		5 GENDER EQUALITY		7 AFFORDABLE AND CLEAN ENERGY		8 DECENT WORK AND ECONOMIC GROWTH		9 INDUSTRIAL, INNOVATION AND INFRASTRUCTURE
	10 REDUCED INEQUALITIES		11 SUSTAINABLE CITIES AND COMMUNITIES		12 RESPONSIBLE CONSUMPTION AND PRODUCTION		16 PEACE, JUSTICE AND STRONG INSTITUTIONS		17 PARTNERSHIPS FOR THE GOALS

## INTRODUCTION TO THE HEITECH ANNUAL REPORT

Our Integrated Reporting constantly evolves to align with HeiTech Group's core values and strategic direction. It also provides a comprehensive overview of our financial, non-financial and material performance.

As we embark on our sixth year of Integrated Reporting, our main objective remains to offer a holistic perspective of the Group that reflects upon our commitment to serving our customers. Our report highlights our goals, hurdles and achievement in which all are viewed through the lens of our material issues.

## SCOPE

This report provides information on the financial performance for the period of 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024, as well as updates on business activities, governance and related matters for the period of 1<sup>st</sup> January 2024 to 31<sup>st</sup> March 2024.

## REPORTING PRINCIPLES

HeiTech adheres to the governance and reporting standards as outlined in the Bursa Malaysia Main Market Listing Requirements and loosely align our reporting with the International Integrated Reporting Council's *<IR>* Framework developed by the Value Reporting Foundation. We also sought guidance from other relevant standards and regulations such as the Malaysian Code on Corporate Governance 2021, Companies Act 2016, Bursa Malaysia's Management Discussion and Analysis, Sustainability and Corporate Governance Guidelines. Our Sustainability Statement is also prepared in alignment to IFRS S1 and S2. Our financial statements are prepared in accordance with both International Financial Reporting Standards ("IFRS") and Malaysian Financial Reporting Standards ("MFRS").

## ASSURANCE AND APPROVAL

HeiTech's external auditor, Messrs. Al Jafree Salihin Kuzaimi PLT, has provided assurance on the consolidated Annual Financial Statements and expressed an unmodified audit opinion. Our external sustainability auditor, RC Compliance, has provided limited assurance on our Sustainability Statement.

## FEEDBACK

We at HeiTech always look for ways to improve our reporting disclosures to keep our stakeholders better informed on our value creation journey. We welcome all questions or suggestions.

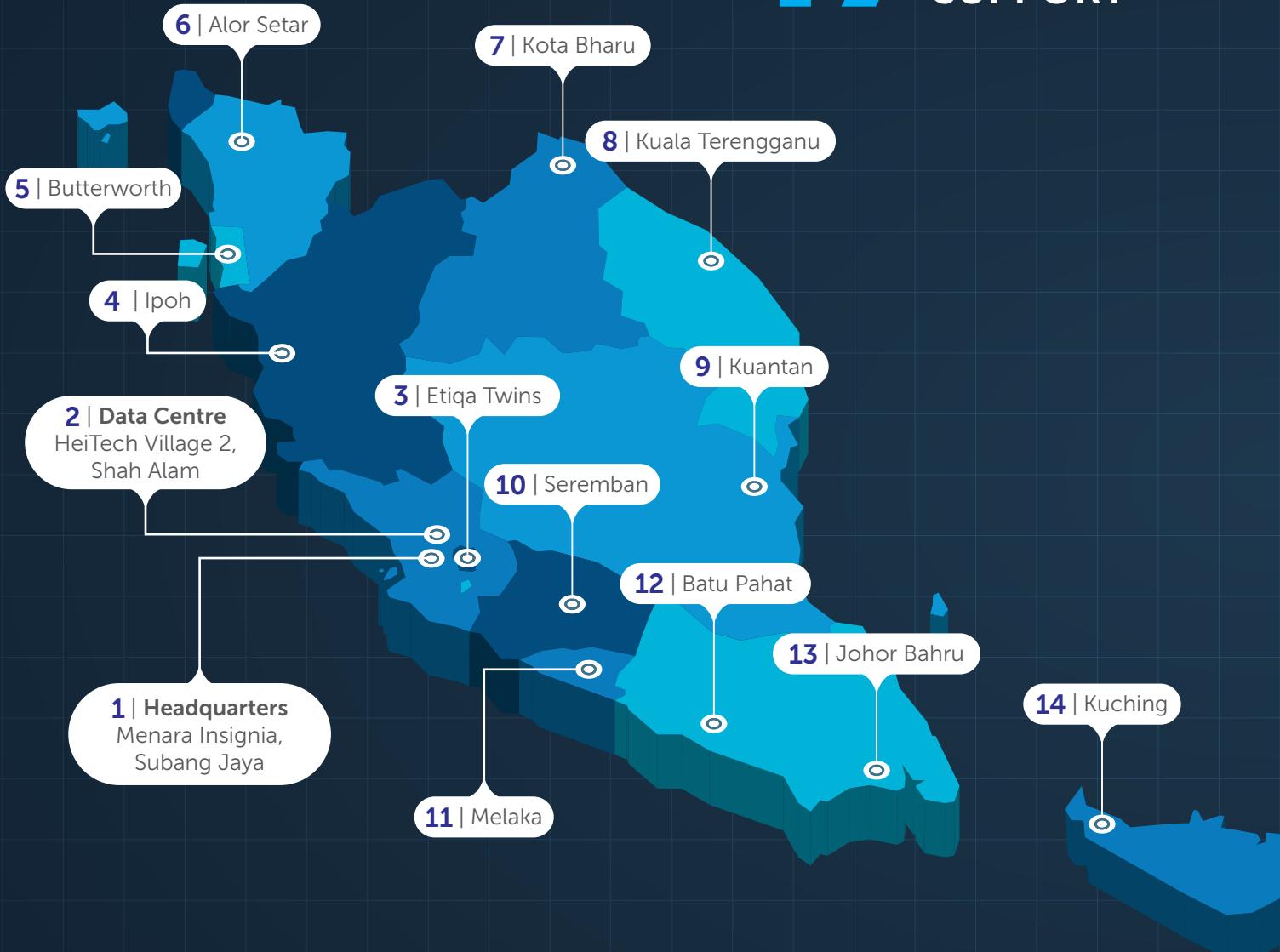
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# FACTS AT A GLANCE

**19** NATIONWIDE CUSTOMER SUPPORT



Paid-up Capital  
**RM136.7**  
million



Revenue of  
**RM337.0**  
million



Total Assets of  
**RM551.2**  
million

INCORPORATED ON  
**5th August 1994**

LISTED ON BURSA MALAYSIA  
SECURITIES BERHAD (MAIN MARKET) ON  
**20th November 2000**



EBITDA of  
**RM26.8**  
million



**962**  
Staff Strength



**154**  
Certified IT Professionals

# CORPORATE PROFILE



## WHO WE ARE

HeiTech Padu Berhad is Malaysia's homegrown market leader in the ICT industry providing innovative solutions spanning from system integration, managed infrastructure services to niche and digital solutions across all market segments.

## VISION

We aim to be  
**"the trusted technology partner to enable customers' vision"**

## MISSION

We fulfil this ambition by  
**"touching lives with innovative solutions"**

## CORE VALUES

INTEGRITY	PASSION FOR EXCELLENCE	DYNAMISM	PEOPLE CENTRIC
<ul style="list-style-type: none"><li>• Accountability</li><li>• Trustworthy</li><li>• Fairness</li></ul>	<ul style="list-style-type: none"><li>• Service Beyond Expectation</li><li>• Role Model</li><li>• Responsiveness</li></ul>	<ul style="list-style-type: none"><li>• Stay Ahead</li><li>• Professionalism</li><li>• Versatility</li></ul>	<ul style="list-style-type: none"><li>• Customer Centric</li><li>• Developing Talent</li><li>• Respect</li></ul>

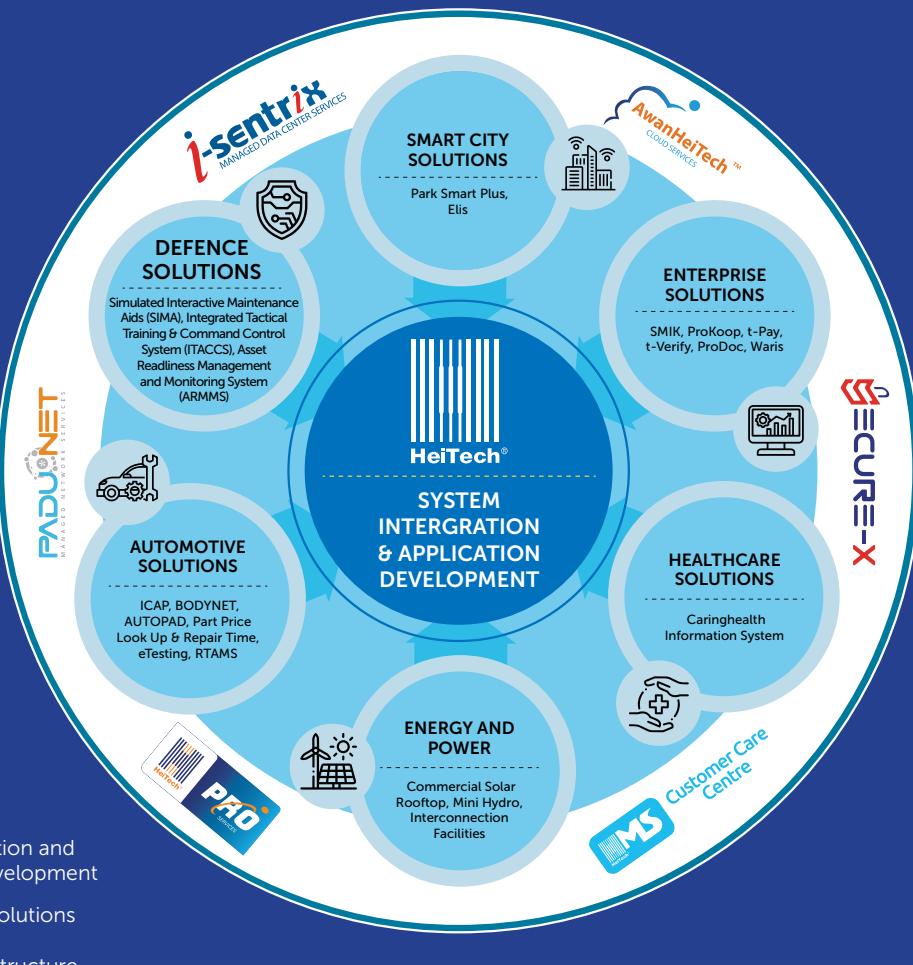
## WHO IS HEITECH PADU BERHAD

HeiTech Padu Berhad ("HeiTech") a front runner in Malaysia's information technology sector, stands as a beacon of innovation and excellence. With a comprehensive suite of services encompassing system integration, customised application development, managed infrastructure solutions, niche and digital solutions, we cater to diverse industries, driving digital transformation and fostering technological advancement across multiple sectors.

As a prominent global player in the realm of ICT systems and technology services, our influence extends far and wide, enriching the lives of Malaysians and individuals worldwide. Through our commitment to embracing the latest technologies, we have spearheaded transformative initiatives that reshape our customers' business operations, through comprehensive digitisation and digitalisation strategies.

Our strong focus on innovation, coupled with strategic collaboration with stakeholders, has led to the successful execution of numerous large-scale IT endeavours which includes the development of the Malaysian Electronic Government ("e-government") initiatives, as a testament to our expertise.

We humanise IT systems by prioritising user experience and incorporating user-centric design principles into our products and solutions. Aligned with our vision, we aspire to be more than just a technology provider; we aim to be the trusted technology partner to enable our customers' vision. Through our commitment to understanding and fulfilling the needs of those we serve, we gain loyalty built on trust, reliability, and mutual success.



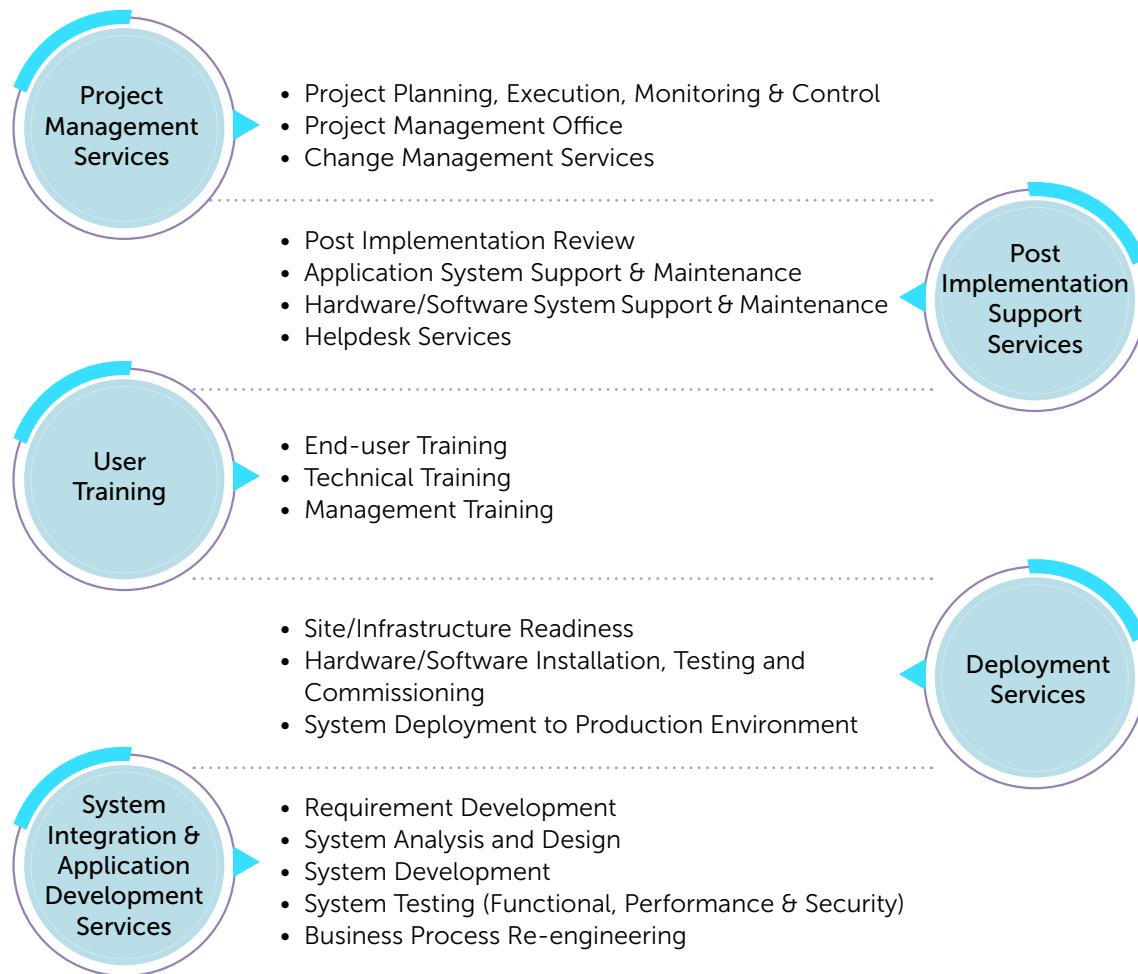
## CORPORATE PROFILE

### SYSTEM INTEGRATION AND APPLICATION DEVELOPMENT

System Integration is HeiTech's core business where we provide customised application development and maintenance services to serve the specific needs of customers from different industries.

As a comprehensive end-to-end solutions provider, our commitment extends beyond product delivery. We offer a holistic approach encompassing complete project implementation services, ranging from project management and systems management to seamless deployment, comprehensive user training, and ongoing post-implementation support services. Our system integration and application development capabilities, adheres to industry standards such as CMMI and TMMI to ensure efficiency, quality, and reliability in all our deliverables. These core capabilities, spanning over the last 30 years, have propelled us forward, driving innovation and excellence in the ever-evolving landscape of technology solutions.

Providing end-to-end solutions covering the entire life cycle of system.



## PRODUCTS AND SERVICES

HeiTech has developed multiple products and services that we had successfully marketed to cater for customers' needs across various industries.

### SMART SOLUTIONS

1 2 3 4 5 6

#### Smart Parking Solution ("Park Smart Plus – PS+")

**Park Smart Plus – PS+** is a seamless application for parking payment which upgrades the conventional way of parking using coupon. The smart parking application uses an IoT-based system that sends data on the availability of parking places via mobile device. Using state of-the-art technology and fuelled by data, HeiTech's Smart Parking Solutions named Park Smart Plus aims to provide peace of mind by improving the quality of life of the rakyat.

PS+ is now being implemented in Majlis Bandaraya Seberang Prai ("MBSP"), Majlis Bandaraya Pulau Pinang ("MBPP"), Majlis Perbandaran Kulim ("MPKK") and Majlis Perbandaran Kubang Pasu ("MPKP").

Our Park Smart Plus Solution offerings include:

- Smart parking spot sensor
- Real time parking tracking
- Online platform with data analytics dashboard
- Reload eWallet, parking reservation, history tracking
- Public mobile application
- Park n Pay, purchase monthly passes, pay compound and eWallet
- Enforcement application issue compound, targeted enforcement and ANPR
- eCoupon agent application
- Park n Pay
- API integration to 3rd party custom platforms and mobile applications
- Gated and enclosed parking solution

#### Mobile Application Payment Solutions ("Kolleq")

**Kolleq** is a revenue collection ecosystem that helps to improve collection and resilience against credit losses. Kolleq is designed to help organisations to migrate into digital first collection thus modernising the way collections process is being done and debt is being managed.

Kolleq ecosystem comes with customisations, real time payment updates, marketing support, rewards and notifications. It puts the sustainability in the revenue collection strategy and it also comes with attractive commercial offerings.

Kolleq is now being used in Majlis Perbandaran Port Dickson ("MPPD"), Majlis Bandaraya Seberang Prai ("MBSP"), Majlis Bandaraya Kuantan ("MBK"), Majlis Perbandaran Sungai Petani ("MPSP"), Majlis Bandaraya Alor Setar ("MBAS"), Majlis Perbandaran Kulim ("MPKK"), and Majlis Daerah Pendang ("MDP").

#### Electronic Licensing ("eLis")

**eLis** is an electronic license issuance system that helps organisations manage the license issuance more effectively.

The features of the system include:

- Managing licenses applications
- Paying of licenses
- Inspecting management
- Securing digital certificates
- Managing enforcement
- Automatic reminders

#### Online Dashboard System ("ezBill")

**ezBill** is a dashboard system to assist local council's operational activity in disseminating notice assessments, notifications and distribution. EzBill helps to induce prompt payments from customers, track document trails, compile and analyse data through heat maps and deliver secured documents to thousands of people via email or short messaging service, with just a single click.

## CORPORATE PROFILE

### ENTERPRISE SOLUTIONS

1 2 3 4 5 6

#### Cooperative System ("Sistem Manajemen Informasi Koperasi - SMIK")

**SMIK** is a core cooperative application system for the cooperatives. This platform provides seamless cross transaction service within multiple cooperatives and also with external parties. The SMIK app is ready to be used and available for download in Google Play. SMIK offers a variety of features such as savings, financing, endowment, charity, merchant, and credit top-up. These features are also offered on a customised basis cater to the needs of members of cooperatives. SMIK is currently being implemented in Indonesia.

#### Payment Gateway Solutions ("t-Pay")

**t-Pay** is a secured and reliable online payment solution that ensure payment acceptance from any channels; credit/debit card, online banking and e-wallet. One notable strength of t-Pay is it allows no code integration, hence Zero IT knowledge is required for businesses to start using t-Pay. t-Pay comes with a built-in check-out flow so customers can skip the hassle of creating websites to share products and services catalogue. It also provides sharable link so that customers can click, browse and make payment for purchase.

#### Document Management System ("ProDoc")

**ProDoc** is a document management system that manages the entire document ecosystem of digitalisation right from the scanning process to creating digital assets till its destructions.

The system is equipped with physical document digitalisation process, document management system for retrieval and management. Dubbed as the Netflix of documents by the way the documents are displayed, it is a progressive system where digital assets are cared and treasured for future consumptions.

#### e-KYC Solutions ("t-Verify")

**t-Verify** is the electronic Know Your Customer (e-KYC) application and is combination of t-VerifyID and t-VerifyFace. T-VerifyID digitally verify real customer identity anytime, anywhere in 30 seconds. During online onboarding process, t-VerifyID creates trusted user identity that allow user to identify himself/herself using a government issued ID such as MyKad. t-VerifyFace enable liveness to be added to e-KYC application to protect against stolen ID. This feature enables biometric technology to be used in the application to enhance security. Face matching algorithm is then used to confirm the owner of the ID is present at the time of the digital identity verification process.

#### Will Management System ("Waris")

**Waris** was designed to help people to create and manage their inheritance through wasiat. It is a web based system where creation of wasiat is easy and fast. The system comprises of wasiat and hibah creation.

The system follows the standard wasiat and hibah process for Majlis Agama Islam Selangor. The ultimate objective of the system is to manage the whole ecosystem of wasiat, faraid and wealth distribution digitally.

## HEALTHCARE SOLUTIONS

1 2 3 4 5 6

**Hospital Information System ("Caringhealth")**

**Caringhealth** is a hospital information system with modules for clinical services, clinical support services, ancillary module and interoperability module. It enables doctors to assess patients' electronic medical record anytime, anywhere.

Caringhealth's interoperability module allows the integration with other third-party application systems and medical devices, enhancing the exchange of information between different healthcare providers and systems, thus improving patient outcomes by supporting real-time decision-making, enabling clinicians to make informed decisions that optimise the patient experience and health outcomes. Additionally, Caringhealth provides essential modules such as billing and payment, medical record, diet and food services and staff management to ensure the efficiency of hospital operations. Caringhealth can be accessed via web and mobile app, providing easy and convenient access to patient data and healthcare providers, thus improving the overall patient experience.

## ENERGY AND POWER

1 2 3 4 5 6

HeiTech through our subsidiary company, HeiTech Eco Energy Sdn Bhd ("HECO") offers three main services in the renewable energy sector:

**Commercial Solar Rooftop**

Involves the installation of solar panels on the rooftops. HeiTech offers 2 types of purchase modes to the clients; outright purchase or Zero Investment method whereby the client will pay the cost of the solar system with discounted tariff through Power Purchase Agreement ("PPA"). We provide consultation, design, installation, and maintenance services for solar rooftop systems to help clients to reduce their electricity costs and carbon footprint.

**Mini Hydro**

Provides feasibility studies, design, and installation as well as maintenance services for mini hydro systems. Through strategic collaboration with the state government of Terengganu, HeiTech has successfully won an e-bidding mini hydro project by Sustainable Energy Development Authority ("SEDA").

**Interconnection Facilities ("IF")**

The company designs and builds infrastructure that enables the transmission and distribution of electricity from renewable sources.

## CORPORATE PROFILE

### AUTOMOTIVE SOLUTIONS

1 2 3 4 5 6

HeiTech through our subsidiary company, Motordata Research Consortium Sdn Bhd ("MRC"), offers a range of services, in the automotive industry. The following are among MRC's products and solutions in the market:

- **ICAP** - Integrated Claims and Automotive Portal is database for motor claims' estimation and compensation.
- **BODYNET** - Web based system to manage vehicle repair bodyshops.
- **AUTOPAD** - Mobile estimating system for a handheld (tablet) devices and also desktop computers.
- **Part Price Look Up and Repair Time** - Extensive search for franchise parts price database and detailed vehicle repair methods to facilitate safe and effective repair.
- **Business Intelligence Reporting Tool** - Data analysis tools for the motor insurance stakeholders to allow analyse, benchmark and immediate claims performance monitoring.
- **Training via MRC Academy and e-Learning portal (eCademy)** - Training programmes which include technical courses, insurance management as well as customised courses tailored specifically to automotive users.
- **JomCheck** is the first-of-its-kind portal that allows users to specifically check a vehicle insurance accidents history.

HeiTech has also developed other automotive solutions for the industry, which are:

#### PintarDrive ("eTesting")

**eTesting** is the country's first homegrown automatic and integrated circuit driving test. PintarDrive saves time, allows online monitoring for the test circuit outcome thus ensuring a faster and tamper-free information flow.

With eTesting, driving institutes will be able to automate and shorten the driving test process thus reducing the time to issue licenses from 3 days to 1 day. This also ensures that more students can be tested. PintarDrive employs GPS technology, which allows the test flow to be fully monitored and provide accurate results without bias to the candidates.

#### Road Transport Authority Management System ("RTAMS")

**RTAMS** provides transport authority with a structure to manage the transportation industry efficiently and effectively. It ensures optimum execution in its operation where the system provides accurate records immediately. Complete with intuitive interface and user-friendly system, RTAMS also ensures ease of operations internally. RTAMS ensures to provide expediency and accuracy by managing the following procedures which are key to the transport industry:

- Registration Management
- Licensing Management
- Enforcement Management
- Revenue Management

## DEFENCE SOLUTIONS

1 2 3 4 5 6

HeiTech through its subsidiary HeiTech Defence Sdn Bhd ("HDS"), has developed defence solutions that include:

**Simulated Interactive Maintenance Aids ("SIMA")**

**SIMA** is a solution that provides operators with a state-of-the-art approach to practical training for maintenance or operation. It is designed to enhance the realism of computer-based training by providing a virtual training environment for trainees.

SIMA presents all components of training environment in digital format, which includes immersive environment, realistic 3D model and 'easy to use' training module. The system hardware is supported with readily available and 'commercial off the shelf' products. The design of the system and its database is locally developed. Currently, SIMA is deployed and used by Royal Malaysian Air Force ("RMAF") at Gong Kedak Base.

**Integrated Tactical Training & Command Control System ("ITACCS")**

**ITACCS** is an engine which provides Common Operating Picture ("COP") function to Operations and Simulation needs of an organisation. Currently, ITACCS are ready for deployment with customisation required.

**Asset Readiness Management and Monitoring System ("ARMMS")**

**ARMMS** is a home-grown solution covering the end-to-end process of managing mission operation.

ARMMS provides a unique solution for the day-to-day management and long-term planning requirements of a mission, be it air or ground mission operations. It has a strong capability in training management by providing a suite of tools, status displays and reporting information for use by both the Unit/Squadron and higher-level Commands.

ARMMS targets to improve operating efficiencies by providing real-time graphic tools and digital interfaces for full visibility of all activity, assets and personnel. The suite facilitates flying and operations scheduling covering conflict resolution, currency and qualification information, student assessment and progress, controlled document management, executive reporting facilities and deployments.

## CORPORATE PROFILE

### MANAGED INFRASTRUCTURE SERVICES

HeiTech offers a complete range of Managed Infrastructure Services which is a horizontal services to support and complements the Group's products and services. The services include security services, cloud hosting, network management and data centre.

#### Secure-X Managed Cyber Security Services

As managed cyber security services provider, we combined key elements of people, processes and technology, offering 24 x 7 security operations and support. The combined experience of our technical expertise allows for deployment of multi-technology, either 'on premise' or hosted solution, handling different security threat landscapes, in accordance to the necessary compliance, regulatory or standards such as Information Security Management System (ISO/IEC 27001:2013) and Malaysian Personal Data Protection ("PDPA"). We are committed to ensure the safety and security of customer critical business data, providing security insight on their system.

Secure-X is a product suite that provides leading-edge managed cyber security services solutions with the aim of helping clients achieve their digital transformation goals securely by unlocking value from the latest cyber security technologies. Secure-X product suite consist of the followings:

- prescribePod - Tailored organisation's cybersecurity design landscape and deploy according to the best practice and proven technology.
- practisePod - Manage policies, controls, risks, assessments, and deficiencies across your entire business.
- curePod - Intelligence-driven and people-enhanced Security Operation Centre ("SOC") with Risk-Based Vulnerability Management ("RBVM") to increase the protection from cyber security threats.
- cyberKnowledgePod - Bridge your organisation's cyber security skills gap with exclusive training courses, certifications and real-world exercises led by top experts in the field.



#### Padu\*Net Managed Network Services

As Malaysia's largest non-telecommunications service provider, our network services support multi- protocol applications into one secured private network. Our network infrastructure also consists of multiple telecommunications and trunk carriers. This network diversity enables us to offer excellent connectivity and availability to our customers.

We are committed in providing up to 99.9% network service availability to our customers, at all times. This commitment is realised through our centralised monitoring and around-the-clock customer service. We also assist our customers to develop, build and managed network infrastructure and services. Our network services consist of the following technologies:



- Software Defined Wide Area Network ("SD-WAN")
- Managed Multi-Protocol Label Switching ("MPLS")
- Managed Internet Protocol Virtual Private Network ("IPVPN")
- Managed Metro Ethernet ("Metro-E")
- Managed Wired/Wireless Leased Line
- LTE 4G / 5G
- Very Small Aperture Terminal ("VSAT")
- Branch in a Bag
- Performance Monitoring
- High Speed Broadband



### AwanHeiTech Cloud Computing Services

AwanHeiTech comes amidst a growing demand for cloud solutions driven by advancements in virtualisation technology, Internet of Things ("IoT") and Artificial Intelligence ("AI"). With these in mind, we offer flexible cloud computing services, tailored to our customers' specific business requirements from building a private cloud, hosting cloud infrastructure to managing shared cloud services.

AwanHeiTech now offers a comprehensive range of cloud infrastructure and services comprising of:

- Virtual Private Data Centre
- Backup as a Service ("BaaS")
- Disaster Recovery as a Service ("DRaaS")
- Software as a Service ("SaaS")

### i-Sentrix Managed Data Centre Services

We own and manage a Tier-IV ready Data Centre providing world class services of developing, building and managing data centre facilities for our clients. The combination of experience and technical certification such as Information Security Management System (ISO/IEC 27001:2013), Quality Management System (ISO/IEC 9001:2015) and Information Technology Service Management System (ISO/IEC 20000-1:2011) has enabled us to provide the high standard of qualities that meets the demand of many organisations in terms of service level, availability, data integrity and security.

Our suite of Data Centre Services consists of:

- Data Centre Management Services
- Infrastructure Development and Management Services
- Business Recovery Management Services
- Mainframe Technical Services

### Pro\*Services ICT Maintenance & Deployment

We offer ICT Maintenance and Deployment services nationwide, particularly to organisations that have multiple branches. Our dedicated on-site engineers provide 24x7x365 support to customers in attending to problems and rectifications. With the establishment of 16 Universal Service Centre ("USC") nationwide, we have extended our services to data recovery services, telco value-added services and ICT hardware repair services.

Our suite of services consists of:

- ICT Maintenance Services
- ICT Deployment Services
- Desktop Management Services
- Managed Endpoint Leasing Services

### Customer Care Centre: One-Stop Support Centre

HeiTech, through our 24-Hour Helpdesk Services helps our customers to deliver precise, timely and efficient customer resolution and back-end support via a range of comprehensive solutions. Our service offering comprises of:

#### Incident Management

- Incident Receiving, Logging and Prioritisation
- Incident Assignment, Diagnosis and Escalation
- Incident Resolution
- Incident Reporting and Reviewing

#### Service Level Management and Reporting

- Benchmarking Analysis
- Providing service level reporting and analysis at agreed intervals

#### Network Monitoring of Branch Connectivity

- Monitoring services for customer's branch online connectivity using Network Management system

#### Onsite Support Services

- Placement of dedicated personnel at customers' premises to focus on customers' IT operations.

# HIGHLIGHTS AND ACHIEVEMENTS



Awarded the BrandLaureate Digitech Best Brands Award 2024 for Digital Business Transformation – Tech Infrastructure Solutions.



Awarded the ASOCIO Digital Government Award 2024 ("Private Sector") at the ASOCIO Digital Summit 2024, Tokyo, Japan.



Participated in Digital Putrajaya Exhibition and Conference ("DiPEC").



Participated in PBT ICT Tech Summit 2024.

## HIGHLIGHTS AND ACHIEVEMENTS



Signed a Memorandum of Understanding ("MoU") with Universiti Teknikal Malaysia Melaka ("UTeM") during JELITA@KPT Summit.



Awarded Tech Luminary ("Trailblazer") Award for Dato' Sri Mohd Hilmey Mohd Taib and Digital Infrastructure Award for Software Services - Park Smart Plus at PIKOM Digital Excellence Award.



Launched Smart Kubang Pasu, a cutting-edge smart parking system for Kubang Pasu Municipal Council.

## HIGHLIGHTS AND ACHIEVEMENTS



HeiTech and the Ministry of Domestic Trade and Cost of Living ("KPDN") jointly organised the KPDN ICT Day 2024.



Showcased our cybersecurity product, Secure-X, at the NACSA Cyber Security Summit.



Recognised as the Lenovo Top REL Champion FY23/24.

## HIGHLIGHTS AND ACHIEVEMENTS

### HeiTech in the Media

15<sup>th</sup> April 2024

#### HeiTech Padu wins RM190mil MySikap contract from JPJ



KUALA LUMPUR: HeiTech Padu Bhd (HeiTech) has secured a contract worth RM190.0 million from the Road Transport Department (JPJ).

In a filing with Bursa Malaysia, HeiTech Padu said the contract is for the maintenance and technical support for ICT infrastructure including the vehicle and driver information system (MySikap) at the data centre and JPJ offices.

The contract is for 36 months commencing from May 1, 2024 to April 30, 2027.

"The contract is in the best interest of the company and is expected to contribute positively to the earnings and net assets per share of the company for the financial year ending Dec 31, 2024 and onwards until the completion of the contract," HeiTech Padu said.

13<sup>th</sup> September 2024

#### HeiTech Padu secures RM133.73 mil contract from JPJ



KUALA LUMPUR (Sept 13): Information and communication technology (ICT) provider HeiTech Padu Bhd (HeiTech) said on Friday it has secured a RM133.73 million contract from the Road Transport Department Malaysia (JPJ).

The contract involves the development and supply of hardware and software for JPJ, and a revamp of the agency's digital systems. HeiTech Padu said in a Bursa Malaysia filing.

The 30-month contract is expected to start from Oct 1 this year and be completed by Sept 30, 2027.

HeiTech Padu expects the contract to contribute positively to its earnings and net assets per share for the financial year ending Dec 31, 2024, and throughout the contract period.

This marks the second contract the technology services provider has bagged from JPJ this year.

Early in April, HeiTech said it clinched a RM190.0 million contract to provide maintenance and technical support services for JPJ's information and communications technology infrastructure and MySikap (driver and vehicle information) systems.

For the second quarter ended June 30, 2024 (Q2FY2024), HeiTech Padu reported a net profit of RM49,000, marking a turnaround from a net loss of RM4.53 million in Q2FY2023, as revenue grew 13.07% to RM53.27 million from RM45.94 million, driven by higher earnings across its technology, investment, and niche market groups.

Shares in HeiTech Padu rose one cent higher or 0.44% to close at RM2.30 on Friday, giving the company a market capitalisation of RM258.1 million. Year-to-date, the stock has surged 158.42%.

Read also:

18<sup>th</sup> October 2024

#### HeiTech wins bid for RM892.2 mil NISe project

KUALA LUMPUR (Oct 18): HeiTech Padu Bhd (HeiTech) (HeiTech), whose share price hit a record high of RM4.60, announced that it has won a RM892.2 million National Integrated Immigration System (NISe) project.

This comes after the Edge茂智集团 recently reported that the technology company had made a commitment and stood a good chance of winning the contract, existing sources.

It is believed that there were three bidders for the NISe project. The other two bidders were Dapang ReXchange Bhd (Dapang) and Theta Edge Bhd (Theta).

HeiTech said in a filing with Bursa Malaysia that it has submitted to the government a performance bond amounting to RM8.32 million not exceeding 30 days from the date of receipt of the letter of award.

Previously, HeiTech is the incumbent operator of the Nitele through the Malaysian immigration system (MyNitele), which has been in operation since 1995.

MyEG Services Bhd (MyEG) is a HeiTech's largest shareholder holding a 14.99% stake, followed by Rosetta Partners Sdn Bhd – an investment vehicle owned by Sultan Mohamed V of Kelantan – with a 14.48% stake, and REDOne Digital Bhd (REDOne) with 6.38%.

The company anticipates the NISe project to enhance its earnings and net assets per share for the financial year ending Dec 31, 2024 (FY2024), and continue to contribute positively until the completion of the contract.

For the second quarter ended June 30, 2024 (Q2FY2024), HeiTech posted a net profit of RM49,000, incurring a net loss of RM4.53 million in the corresponding period last year.

Revenue grew by 13% to RM53.27 million from RM45.94 million in Q2FY2023, supported by stronger contributions across the technology, investment and niche market segments.

This company reported cash and bank balances of RM439.75 million as of June 30, 2024, while its short-term borrowings stood at RM136.4 million, with long-term liabilities amounting to RM13.29 million.

Trading of HeiTech shares was suspended ahead of the announcement on Friday. Its last traded price was RM4.34. The counter hit a fresh record high of RM4.60 on Thursday.

Since the beginning of the year, the company's share price has surged over 387%, thanks to the company benefiting from a turnaround of its business and successful contract wins.

In a separate filing on Friday, HeiTech said trading of the counter's shares will resume as calculated.

Read also:

23<sup>rd</sup> December 2024

#### HeiTech Padu deputy chairman's daughter relinquishes all positions

KUALA LUMPUR (Dec 23): HeiTech Padu Bhd (HeiTech) said on Monday that its group managing director and group chief executive officer, Salmi Nadea Mohd Hamey, is resigning voluntarily from all positions within the company, effective from Dec 31.

Notably, Salmi had been in the MD position for just over eight months, after being appointed to the position on April 3.

This decision follows a mutual separation agreement between Salmi and HeiTech, as she intends to pursue other opportunities and interests, according to the technology services provider in a filing with the local bourse.

Salmi, 42, is the daughter of the group executive deputy chairman, Dato' Seri Mohd Hamey Mohd Taib, who holds a 3.76% direct stake and a 14.06% indirect stake in the company through his private vehicle, PutraCorp Corp Sdn Bhd.

Mohd Hamey is the third largest shareholder of HeiTech behind MyEG Services Bhd (MyEG) with a 16.32% stake, and Rosetta Partners Sdn Bhd (22.45%).

Prior to her role at HeiTech, Salmi held various roles in the company over the past 17 years, including as a special assistant to the group CEO, corporate development and risk management director, executive vice-president of risk management and corporate services, and group chief operating officer.

Separately, HeiTech also announced the appointment of Haseeb Aslam Mohd Yusof as its new CEO, effective immediately.

Before joining HeiTech, Haseeb was the executive vice-president and head of business development at Maybank Banking Bhd (Maybank), and brings over 20 years of experience in business management with a broad range of business acumen, HeiTech noted.

HeiTech shares hit a record high of RM4.34 on Oct 17, a day before the announcement of it winning the RM892.2 million National Integrated Immigration System (NISe) project.

However, the stock has since retracted, closing down by one sen or 0.3% at RM4.05 on Monday, valuing the company at RM259.8 million. Despite this, the counter is still up 248% year-to-date.

Read also:

HeiTech Padu deputy chairman's daughter Salmi Nadea appointed as MD

HeiTech wins bid for RM892.2 mil NISe project

10<sup>th</sup> April 2025

#### HeiTech Padu inks two MOUs to explore AI computing power cloud services



KUALA LUMPUR (Apr 10): HeiTech Padu Bhd (HeiTech) has signed two memoranda of understanding (MOUs) to form strategic partnerships in artificial intelligence (AI) computing power cloud services.

The first agreement was signed with Huawei Technologies (Malaysia) Sdn Bhd and MyEG Services Bhd (MyEG) to collaborate on cloud and AI-related areas.

Under the MOU, HeiTech Padu and MyEG will pursue application development scenarios, while Huawei will offer AI platforms and technology solutions to support HeiTech on a non-exclusive basis.

Read also:

HeiTech Padu inks two MOUs to explore AI computing power cloud services

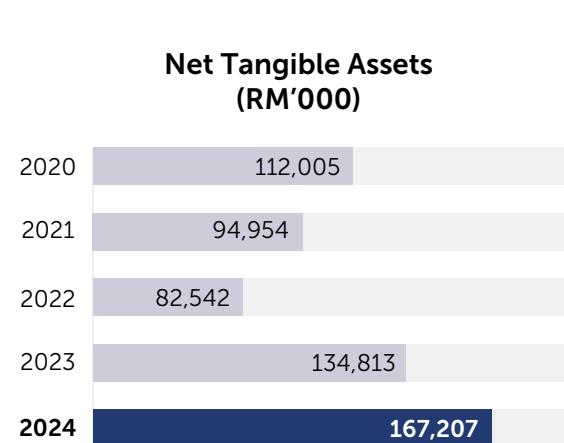
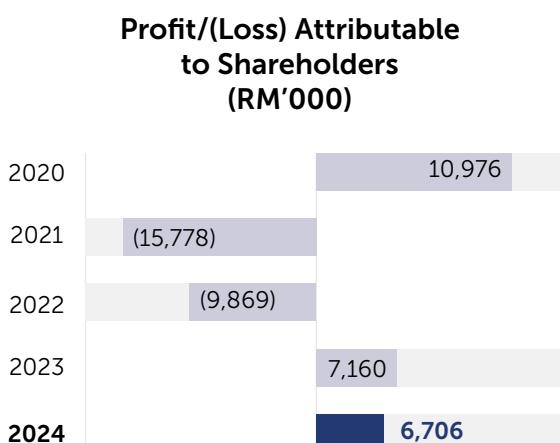
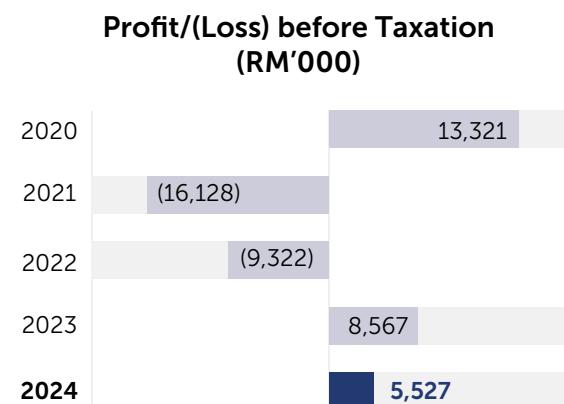
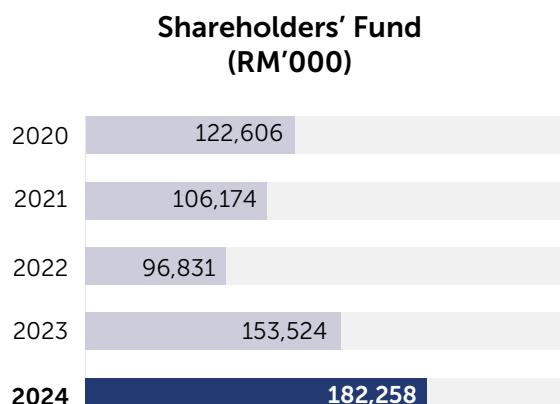
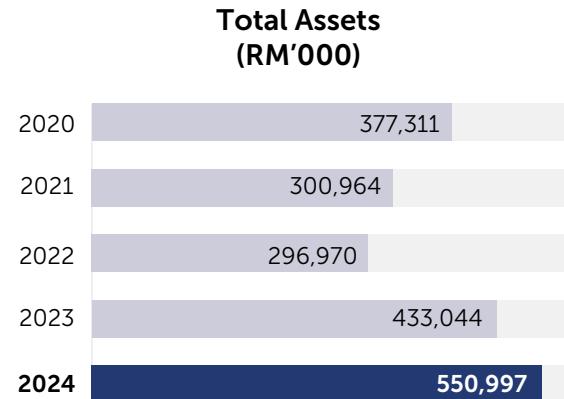
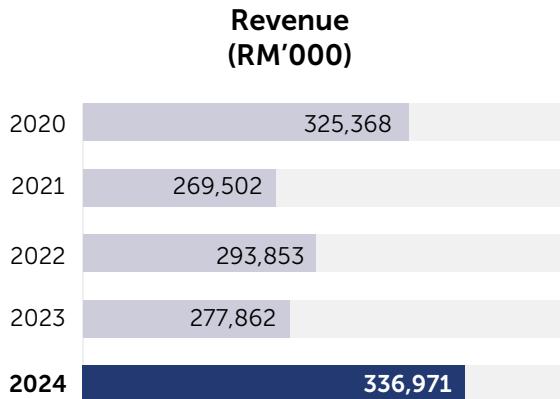
# HIGHLIGHTS AND ACHIEVEMENTS

## SIMPLIFIED SELECTED FIVE (5) YEARS GROUP REVIEW

	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)
<b>REVENUE</b>					
Network services fees	51,028	54,259	52,671	42,331	<b>53,573</b>
System application and development	43,392	63,017	54,035	41,528	<b>69,349</b>
Disaster recovery and facility management services	55,722	23,857	20,097	14,097	<b>17,108</b>
Maintenance of hardware, software and application	113,222	79,353	96,669	67,635	<b>96,643</b>
Managed security services	-	20,078	31,571	24,429	<b>33,315</b>
Mailing and document processing services	13,389	1,680	1,994	14,204	<b>17,624</b>
Engineering works	10,574	1,581	1,629	9,850	<b>5,096</b>
Database management services	8,354	18,009	19,799	10,679	<b>12,698</b>
Software support and licence fees	-	653	653	858	<b>408</b>
Mobile value added services	1,429	-	-	-	-
Smart parking services	-	-	5,707	17,947	<b>16,147</b>
Net gain on sublease	-	-	-	24,299	-
Others	28,258	7,015	9,028	10,005	<b>15,010</b>
	325,368	269,502	293,853	277,862	<b>336,971</b>
<b>PROFITABILITY</b>					
Profit/(loss) before tax (RM'000)	13,321	(16,128)	(9,322)	8,567	<b>5,527</b>
Profit/(loss) before tax margin (%)	4.1%	-6.0%	-3.2%	3.1%	<b>1.6%</b>
Profit/(loss) after taxation (RM'000)	13,127	(16,381)	(10,039)	7,168	<b>7,058</b>
Profit/(loss) attributable to shareholders (RM'000)	10,976	(15,778)	(9,869)	7,160	<b>6,706</b>
Earnings per share (RM)	0.1084*	-0.1559*	-0.0975*	0.0707*	<b>0.0602**</b>
* Based on the weighted average of 101,225,000 ordinary shares of RM1.00 each					
** Based on the weighted average of 111,348,000 ordinary shares of RM1.00 each					
<b>ASSETS EMPLOYED</b>					
Total assets (RM'000)	377,311	300,964	296,970	433,044	<b>550,997</b>
Non-current assets (RM'000)	87,065	110,111	109,657	191,633	<b>178,749</b>
Net current assets (RM'000)	47,519	26,383	7,994	14,257	<b>38,096</b>
Current ratio	1.20	1.16	1.04	1.06	<b>1.11</b>
Gearing ratio	59.3%	54.2%	62.3%	50.9%	<b>59.9%</b>
Debt/equity ratio	1.95	1.66	1.92	1.33	<b>1.71</b>
Shareholders' fund (RM'000)	122,606	106,174	96,831	153,524	<b>182,258</b>
Net tangible assets per share (RM)	1.11	0.94	0.82	1.33	<b>1.50</b>
Share capital (RM'000)	117,751	117,751	117,751	117,751	<b>136,652</b>
Share capital units ('000)	101,225	101,225	101,225	101,225	<b>111,348</b>

## HIGHLIGHTS AND ACHIEVEMENTS

### HIGHLIGHTS AND ACHIEVEMENTS



# FROM THE DESK OF FOUNDER AND ADVISOR



**Dato' Sri Mohd Hilmey Mohd Taib**  
Founder and Advisor

**Assalamualaikum w.b.t. and  
Salam Sejahtera,**

As we reflect on the journey through 2024, it becomes evident that HeiTech Padu Berhad is not merely evolving - we are entering a pivotal chapter in our history. This moment is shaped not just by the milestones we have achieved, but by a renewed clarity of purpose rooted in the legacy we have built over three decades: one defined by trust, innovation, and an enduring commitment to national progress.

From our earliest days, we envisioned technology as an engine of transformation. Today, that vision is no longer aspirational - it is reality. HeiTech stands as more than a service provider; we are an enabler of digital resilience, a steward of technological advancement, and a partner in Malaysia's ongoing journey of nation-building.

The landscape of 2024 was far from ordinary. We navigated complex global economic shifts, disruptive technological trends, and rising expectations on environmental and social stewardship. These forces did not deter us - they strengthened us. Through strategic realignment, we consolidated our operations into three focused pillars: Technology, Investment, and Niche Markets. This restructuring has allowed us to operate with sharper focus, greater agility, and deeper alignment with customer needs.

FROM THE DESK OF  
FOUNDER AND ADVISOR

“

**As we look ahead, we do so with courage and imagination. The convergence of technology, climate action, and socio-economic transformation presents both challenge and opportunity. At HeiTech, we intend to lead - not by following trends, but by setting them.**

”

We have deepened our technological expertise while pursuing growth in emerging sectors. Initiatives such as JomCheck, ProSchool, CaringHealth, and Park Smart Plus are not merely digital solutions - they are expressions of our commitment to solving real-world problems with purpose-built innovation. Our expanded capabilities in cybersecurity, managed infrastructure, cloud services, and green technologies now serve as foundational pillars for long-term, scalable impact - both in Malaysia and abroad.

At the heart of our evolution lies our commitment to sustainability. Guided by the principles of ESG and aligned with Bursa Malaysia's sustainability disclosures and the Malaysian Code on Corporate Governance 2021, we are embedding responsible business practices across every layer of our operations. This is not about compliance for its own sake - it is about building a business that is resilient, inclusive, and future-ready.

To the Board of Directors, thank you for your guidance and trust. To our leadership team, employees, customers,



partners, financiers, and shareholders - your belief in our purpose has been the driving force behind our progress.

As we look ahead, we do so with courage and imagination. The convergence of technology, climate action, and socio-economic transformation presents both challenges and opportunities. At HeiTech, we intend to lead - not by following trends, but by setting them. We will continue to harness technology not only as a tool for efficiency but as a force for inclusion, security, and societal good.

Let us move forward with renewed purpose - honouring the legacy that brought us here, and shaping the future we are ready to lead.

Thank you.

**Dato' Sri Mohd Hilmey Mohd Taib**  
Founder and Advisor  
HeiTech Padu Berhad

# MESSAGE FROM THE EXECUTIVE DIRECTOR

## Salam Sejahtera,

As HeiTech Padu Berhad celebrates its 30<sup>th</sup> anniversary, we stand at a defining moment—one that invites reflection, gratitude, and bold ambition. This milestone is not merely a mark of time passed, but a testament to the resilience, innovation, and unwavering dedication of every individual who has contributed to our journey. Over the past three decades, HeiTech has evolved from a pioneering IT firm into a trusted national enabler of digital transformation and strategic development.

In 2024, we recorded a significant 21% revenue growth—a reflection of our continued momentum in delivering impactful, future-ready solutions. This achievement is deeply rooted in the strength of our diversified business segments—Technology Market Group ("TMG"), Investment Market Group ("IMG"), and Niche Market Group ("NMG")—each demonstrating strategic agility and sustainable scalability. These pillars remain central to our mission of advancing national interests while driving enterprise value.

Our success this year was further underscored by the trust placed in us by key national agencies such as the Lembaga Hasil Dalam Negeri Malaysia ("LHDNM"), Jabatan Imigresen Malaysia ("JIM"), and the Road Transport Department ("JPJ"). These engagements, alongside our landmark partnership with MyEG Services Berhad, have amplified our capabilities and reaffirmed our relevance in an increasingly digital and interconnected economy.

HeiTech was awarded a contract valued at RM892.2 million by the Immigration Department of Malaysia for the end-to-end design, development, and implementation of the National Integrated Immigration System ("NIISe"), a strategic five-year initiative aimed at modernising and enhancing the nation's immigration infrastructure.

While we continue to expand into emerging sectors such as Artificial Intelligence ("AI"), cloud services, and renewable energy, HeiTech remains firmly rooted in our core values—upholding trust, integrity, and national service as the guiding principles that continue to shape our journey and define our legacy.

Looking ahead, we are steadfast in our ambition to lead innovation in high-impact technologies—cloud computing, cybersecurity, AI, and the green energy transition. These are not just growth sectors—they are national imperatives. Our investments and strategic pursuits in these areas are designed to deliver long-term value, resilience, and sustainability for our stakeholders and the communities we serve.

Most recently, HeiTech entered into strategic Memoranda of Understanding with Maiyue Technology Limited and Huawei Technologies (Malaysia), marking a significant step forward in strengthening our position within the AI and cloud services landscape.

The collaboration with Maiyue is focused on the joint development of an AI computing power centre, designed to cater to both enterprise and individual users. This initiative aims to support the growing demand for high-performance computing infrastructure in Malaysia.

Meanwhile, the partnership with Huawei is centered on the delivery of cloud and AI-enabled smart government services. Under this collaboration, HeiTech serves as the designated industrial partner, leveraging Huawei's advanced technology platform to support the nation's digital transformation agenda.

## Revenue

**RM 337**

Million

2023: RM278 million

## MESSAGE FROM THE EXECUTIVE DIRECTOR



In line with the Government's strong commitment toward sustainability and increasing renewable energy adoption, HeiTech has begun expanding its focus beyond ICT into the renewable energy sector. The Group views this diversification as a strategic move, with promising prospects in areas such as large-scale solar, rooftop solar, and mini hydro solutions. Notably, HeiTech recently participated in a consortium undertaking the Life Extension Programme ("LEP") for the Sungai Perak Hydroelectric Scheme, marking a significant step forward in its renewable energy journey.

In parallel, our commitment to Environmental, Social, and Governance ("ESG") principles is not peripheral—it is foundational. We are embedding sustainability at the core of our operations, pursuing renewable energy initiatives and driving systemic changes that align with global climate and governance priorities. This forward-looking integration positions HeiTech to thrive in a regulatory landscape shaped by emerging sustainability standards.

The path ahead will not be without challenges. Economic volatility, technological disruption, and heightened competition are real. Yet, our discipline in financial stewardship, our operational agility, and our culture of excellence equip us to navigate these uncertainties with confidence.

**As we prepare for 2025 and beyond,  
our direction is clear:**

**To deepen** our role in shaping Malaysia's digital future

**To accelerate** innovation across every layer of our business

**To pursue** growth that is inclusive, responsible, and enduring

To our valued shareholders, partners, and customers—thank you for your continued trust. To our Board of Directors, management team, and every HeiTech employee—your passion and dedication remain our greatest asset. Let us continue to chart a bold course forward, united in purpose and fueled by a shared vision for a more advanced, secure, and sustainable Malaysia.

Warm regards,

**Sandraruben Neelamaghnam**  
Executive Director  
HeiTech Padu Berhad

**Sandraruben Neelamaghnam**  
Executive Director

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

### What we do

HeiTech Padu Berhad has firmly established itself as a leading technology solutions provider, recognised for delivering innovation, reliability, and excellence in the Information and Communication Technology ("ICT") industry. With a comprehensive portfolio of services catering to both public and private sector clients, the company has played a significant role in shaping Malaysia's digital landscape over the past 30 years.

Since its incorporation, HeiTech has been a key enabler of digital transformation, particularly within government agencies. The company's focus on providing tailored, end-to-end ICT solutions has positioned it as a trusted partner in the implementation and advancement of e-government systems and other critical digital initiatives.

HeiTech's core offerings include system integration, IT consultancy, managed services, software development, cybersecurity, and IT infrastructure solutions—serving a wide range of industries including government, finance, telecommunications, healthcare, and education. The company also owns and operates a TIA-942 Rated 3 certified data centre in Bukit Jelutong, Selangor, designed to support high availability and mission-critical IT operations.

Beyond ICT services, HeiTech has diversified into sectors such as defence, renewable energy, engineering, automotive parts database solutions, and document data processing. These ventures form a key part of the Group's strategic diversification efforts, further strengthening its market presence and long-term sustainability.

### "We are Customer Focused"

HeiTech emphasises customer satisfaction and strives to provide high-quality IT solutions and services tailored to the unique requirements of each client. The company aims to build long-term relationships with its customers by delivering value-added solutions and excellent support. HeiTech's services and processes are duly certified and meet the necessary standards for high-quality services, integrity and security. Among the certifications that are being maintained by HeiTech are as follows:

MS ISO 9001:2015 Quality Management System	MS ISO 37001:2016 Anti-bribery Management System	ISO/IEC 27001:2013 Information Security Management System	ISO/IEC 20000:2018 IT Service Management System
ISO/IEC 22301:2019 Business Continuity Management System	Test Maturity Model integration ("TMMi") Level 3	Capability Maturity Model integration ("CMMi") under CMMi Institute	Payment Card Industry Data Security Standards ("PCI DSS")
Threat Vulnerability Risk Assessment ("TVRA")	Network Resilience & Risk Assessment ("NRA")	ANSI/TIA-942-B:2017 Rated-3	

## MANAGEMENT DISCUSSION AND ANALYSIS

HeiTech has also developed its own management and evaluation systems to ensure the standards of practice are further enhanced, namely:

HeiTech's Project Management  
Information System  
("PROMISE")

Application Development  
Information System  
("ADVISE")

Product Evaluation for  
Compliance Information System  
("PRECISE")



### List of Awards

In 2024, HeiTech received multiple prestigious awards and recognitions from esteemed partners and industry associations:

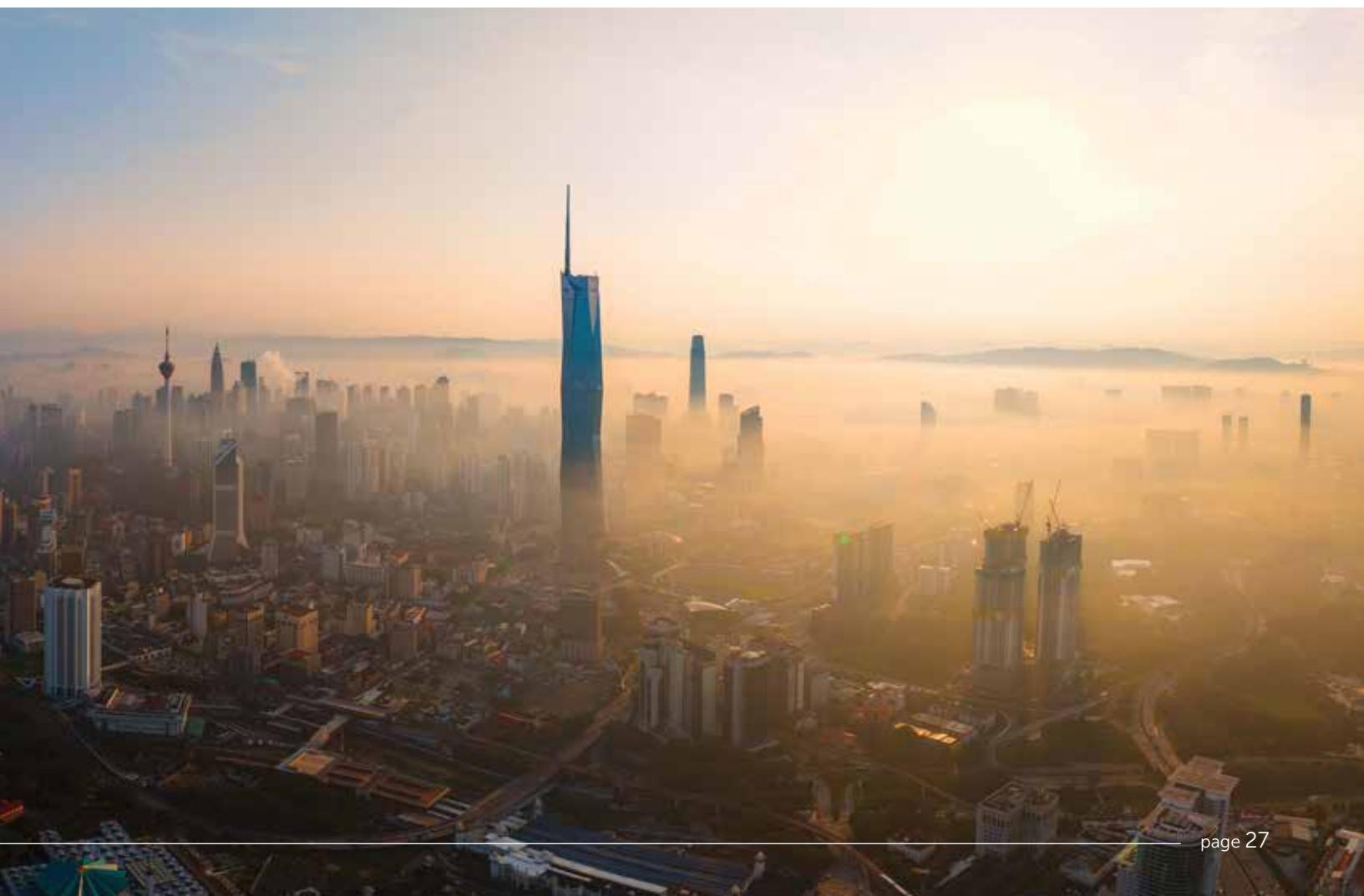
Tech Luminary  
("Trailblazer") Award  
presented to Dato'  
Sri Mohd Hilmey  
Mohd Taib

Digital Infrastructure  
Award for Software  
Services – Park  
Smart Plus at the  
PIKOM Digital  
Excellence Awards

BrandLaureate  
Digitech Best Brands  
Award 2024 for  
Digital Business  
Transformation –  
Tech Infrastructure  
Solutions

Recognised as  
Lenovo Top REL  
Champion FY23/24

Recipient of the  
ASOCIO Digital  
Government Award  
2024 ("Private Sector")  
at the ASOCIO Digital  
Summit 2024 held in  
Tokyo, Japan



## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING ENVIRONMENT

Based on reports by Bank Negara, the Malaysian economy grew by 5.1% in 2024 (2023:3.6%), due to continued expansion in domestic demand and a rebound in exports. Growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of GDP in 2024 (1.5% in 2023).

The Malaysian ICT industry in 2024 similarly experienced strong performance, driven by increased digitalisation, robust e-commerce activity, and the rollout of 5G technology. According to the Department of Statistics Malaysia ("DOSM"), ICT contributes 23.2% of the country's GDP, with a market size of USD 27.2 billion in 2024. The industry is projected to grow at a CAGR of 7.57% from 2024 to 2029.

#### Landscape

In support of national development, HeiTech aligns its strategic direction with Malaysia Madani—an initiative by the government aimed at fostering a progressive, sustainable, and digitally advanced society. The Malaysia Madani framework prioritises economic empowerment through digitalisation, the cultivation of an innovative, technology-driven economy, and the strengthening of public-private partnerships to drive Malaysia's digital transformation. It also highlights the importance of digital inclusivity, ensuring that both businesses and communities can access modern ICT solutions. In line with the framework's focus on sustainability and green technology, HeiTech is advancing its initiatives in renewable energy.

IT spending in Malaysia is very much influenced by several factors including economic conditions, government policies, technological advancements, and industry trends. With the rapid digitisation of businesses and the increasing adoption of cloud computing, cybersecurity, and data analytics solutions, IT spending in Malaysia has been on the rise. Government initiatives aimed at promoting digital transformation and innovation further drive IT spending across various sectors. Through the Malaysia

Digital Economy Corporation ("MDEC"), the government is focusing on initiatives to develop capabilities around emerging technologies such as Big Data Analytics ("BDA"), Artificial Intelligence ("AI"), Internet of Things ("IoT"), financial technology ("FinTech"), data centres, cloud services and robotics. From the Malaysia Digital Economic Blueprint, Digital technology is expected to be the new driver for Malaysia's economy in the coming decade and its contribution is projected to reach 22.6% of GDP by 2025. The key highlights of the blueprint focuses on the adoption of cloud services and to build and manage hyper-scale data centres and cloud services in Malaysia. The ongoing digitalisation has also increased spending on ICT systems and infrastructure, resulting in more players entering the field to compete.

IT budgets remain an essential cornerstone to organisations because business success today correlates with technology competence. Therefore, it is not surprising that the government and businesses are investing in a plethora of technologies to make their business operations more efficient. Cybersecurity, cloud services, and digital transformation remain among the leading IT priorities in 2024, according to IT business leaders globally. Malaysia is experiencing a significant surge in data centre investments, with projections indicating substantial spending in 2024 and 2025. This growth is driven by both domestic initiatives and substantial foreign direct investments from global technology companies. The influx of investments in data centre is set to bolster Malaysia's digital infrastructure, enhance its capacity to support advanced technologies like artificial intelligence, and stimulate economic growth through job creation and technological innovation. In summary, Malaysia's data centre industry is on a trajectory of rapid growth, with planned investments indicating a robust expansion in the coming years. However, it's essential to consider the environmental and resource management challenges associated with rapid data centre expansion, such as increased demand for both electricity and water.

On this note, apart from ICT, the Group has also ventured into other industries such as renewable energy. The Malaysian government is committed to achieving significant energy generation from renewable sources. The Group believes that its prospects in renewable energy is very positive. Among the areas with large potentials are large scale solar, rooftop solar and mini hydro. HeiTech has recently participated in a consortium to deliver the Life Extension Programme ("LEP") of Sungai Perak Hydroelectric Scheme.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Challenges

Over the past few years, Malaysia's ICT industry has expanded significantly, attracting players of all sizes with diverse technological offerings. However, this rapid growth has also intensified competition, leading to pricing pressures and a continuous battle to offer solutions at competitive rates. A key challenge lies in delays in new IT spending allocations, particularly for capital expenditures on major ICT system developments. Amidst growing economic pragmatism, businesses and government agencies are exercising tighter budget controls, prioritising operational spending over development projects. In the public sector, allocation for development expenditure across ministries has declined as budgets shift towards sustaining existing operations. Similarly, in the commercial sector, change fatigue has resulted in hesitation to invest in new projects, pushing portions of IT spending from 2024 into 2025, with a similar trend expected to continue into 2026.

Like any other ICT player, HeiTech faces several challenges despite strong government support and increasing investments. Economic factors such as GDP growth, inflation, interest rates, increase in tariffs and currency fluctuations directly impact the Group's performance. Economic downturns can reduce IT spending by businesses and government agencies, affecting demand for HeiTech's services. At the same time, cybersecurity threats are on the rise, necessitating stricter compliance with the Personal Data Protection Act ("PDPA") and other regulatory

requirements to maintain public trust. The high cost of digital infrastructure—including data centers, 5G networks, and cloud services—poses financial challenges, especially for SMEs. Furthermore, regulatory uncertainties and shifting policies slow down approvals for ICT projects, while connectivity gaps persist, particularly in rural areas, limiting digital inclusion. The industry must also navigate growing sustainability pressures, ensuring energy efficiency while complying with environmental regulations.

As a service-based technology company, HeiTech also faces challenges in accessing and retaining skilled talent, which is critical to delivering quality services and driving innovation. Additionally, talent shortages and skill gaps, particularly in cybersecurity, AI, and cloud computing, remain significant hurdles. The industry also struggles with brain drain, making it difficult to retain skilled professionals. The company must continuously invest in employee training, development programs, and competitive compensation packages to maintain a highly skilled workforce that meets client demands.

Despite these challenges, HeiTech remains committed to staying relevant and competitive in the market. With its strong industry reputation and history as a forerunner, the Group is confident in maintaining its presence while actively working to expand its offerings and market reach in the evolving ICT landscape.

### STRATEGIC AND OPERATIONAL APPROACH

The Group knows that in order to remain relevant amidst today's challenges, it needs to be agile and responsive. As such, the Group has redefined its target market and repackaged its offerings with the aim of strengthening its position, retaining market presence while exploring new offerings and market areas. All this charted while maintaining the essence of what is important to us which is humanising IT systems by prioritising user experience and incorporating user-centered design principles into our solutions serving the needs of the customers and bridge the gap between technology and people.

We have charted the necessary steps to ensure that we are able to stay resilient and remain relevant in the market for many years to come. Among the guiding principles that were adopted are as follows:

- i) Enhancing the core competencies of the Group
- ii) Complementing contract-based revenue with product-based and transactional-based revenue streams

- iii) Market expansion across new geographical area and market segments
- iv) Innovative products and offerings
- v) Gearing towards data analytics and artificial intelligence.

The portfolios across the Group in 2024 have been realigned to reflect these principles categorised under 3 different segments based on their core competencies, market segments and strengths. HeiTech have taken steps to redesign the structure of our organisation by realigning the Core Business Pillars to be market driven and consolidating the business operations. Hence, the new structure is designed to centralise many functions to enforce better governance and monitoring of operations while retaining our business focus on varying markets via 3 main market groups which are Technology Market Group ("TMG"), Investment Market Group (IMG) and Niche Market Group ("NMG").

## MANAGEMENT DISCUSSION AND ANALYSIS

### Technology Market Group ("TMG")

TMG carries the fundamental business of the Group. Its focus market is the information technology ("IT") area specialising in systems integration, data centre management, network services, and cloud computing solutions to both government agencies and commercial sectors. HeiTech's TMG has played a significant role in Malaysia's technological advancement, offering innovative solutions to both government agencies and commercial sectors.

The TMG caters to various sectors, including:

- **National Security:** Developing systems to enhance public safety and security.
- **Transportation:** Providing technological advancements to optimise transportation management systems.
- **e-Government:** Facilitating digital transformation in government services for improved public administration.
- **Retail and Financial Services:** Managed services for business support for industries like financial and insurance institutions as well as retails.

### Investment Market Group ("IMG")

IMG focuses on creating new products and offerings, generating new revenue streams from transactional-based and mass-market approaches, and entering new market areas via business to business to consumers ("B2BC") and business to consumer ("B2C").

Solution offered include easy billing and licensing systems developed for local councils which are internally developed by the Group and shall be competitively positioned against existing providers in the market. IMG also operates within the document data processing and automotive industry.

Additionally, Smart parking application solution leveraging on IoT-Based systems accessible via mobile device is also part of the revenue stream in IMG. Currently, the Group is providing smart parking services in Pulau Pinang, Seberang Perai, Kulim and Sungai Petani.

### Niche Market Group ("NMG")

Niche Market Group ("NMG") focuses on specialised sectors, including Healthcare, Defence, Renewable Energy, and Concession-based contracts. Recognising the growth potential in renewable energy, the Group is actively expanding in this sector.

NMG also manages the e-testing system for driving licenses, the first homegrown automated and integrated circuit driving test. This initiative supports the government's efforts to combat fraud in driving tests and enhance public trust in license issuance.

In healthcare, NMG provides IT solutions to optimise service delivery and management across both government and private healthcare institutions.

### Achieving Operational Excellence

In achieving our strategic goals, HeiTech has adopted an operational structure designed to enhance flexibility, efficiency, and productivity. This structure also supports the strengthening of corporate value and culture, drives organisational sustainability and reinforces brand positioning in the market.

The strategic and operational framework consist of the following pillars that align the Group's vision and mission in 2024:

1. Business Pillars - TMG, IMG and NMG
2. Infrastructure Pillar - HeiTech Managed Services ("HMS")
3. Support Pillars - Governance, Innovation and Corporate Function

HMS consist of data centre, disaster recovery, cloud cybersecurity and network services which formed the infrastructure pillar. On top of providing services to external customers, HMS is now positioned to serve internal customers within the business and corporate pillars. This is important to promote a more efficient and cost-effective infrastructure support throughout the Group.

Meanwhile, the support pillars of Governance, Innovation and Corporate Function provide the necessary operational, framework and compliance support which are vital for ensuring smooth business operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Highlights

Despite a competitive landscape, the Group was successful in securing several service extensions and new ventures in 2024 to date, listed as follows:

<b>2 January 2024</b>	HeiTech secured a contract from Lembaga Hasil Dalam Negeri Malaysia ("LHDNM") for "Kontrak LHDNM IP (ICT) Bil. 31/2023: Perkhidmatan Next Generation Network di Lembaga Hasil Dalam Negeri Malaysia", amounting to RM58.9 million.
<b>11 March 2024</b>	HeiTech secured an extension of the contract for Perkhidmatan Penyelenggaraan Sistem Aplikasi MYIMMS Secara Komprehensif di Jabatan Imigresen Malaysia ("JIM") amounting to RM13.1 million.
<b>15 April 2024</b>	HeiTech accepted and signed the Letter of Award ("LOA") from Road Transport Department Malaysia ("JPJ") for Tender Perkhidmatan Penyelenggaraan dan Sokongan Teknikal bagi Infrastruktur ICT serta Sistem Informasi Kenderaan dan Pemandu ("MySIKAP") dipusat Data dan semua pejabat JPJ.
<b>16 April 2024</b>	A teaming agreement was entered between HeiTech Padu Berhad and MyEG Services Berhad
<b>13 September 2024</b>	HeiTech accepted the Letter of Award ("LOA") for tender Membangun, Membekal, Menghantar, Memasang, Mengkonfigurasi, Mengintegrasikan, Menguji dan Mentauliah Perkakasan, Perisian dan Sistem Digital Jabatan Pengangkutan Jalan ("JPJ Revamp")
<b>18 October 2024</b>	HeiTech accepted the Letter of Award ("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
<b>17 January 2025</b>	HeiTech secured an extension of the contract for Perkhidmatan Penyelenggaraan Sistem Aplikasi MYIMMS secara komprehensif di Jabatan Imigresen Malaysia.
<b>24 February 2025</b>	HeiTech accepted the Life Extension Programme of Sungai Perak <i>Hydroelectric Scheme</i> for Stesen Janakuasa Temengor, Bersia and Kenering
<b>10 April 2025</b>	HeiTech entered into a Memorandum of Understanding ("MOU") with Huawei Technologies (Malaysia) Sdn Bhd and MyEG Services Berhad on future collaboration on the cloud and AI enabled smart government service.  HeiTech entered into a MOU with Maiyue Technology Limited ("MTL"), to collaborate in establishing a strategic partnership in the field of AI computing power cloud services. Both parties will integrate high-quality resources to jointly build an AI computing power centre, providing efficient AI computing services for local users.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL OVERVIEW

#### SUMMARY OF GROUP FINANCIAL OVERVIEW

	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Revenue	337.0	277.8	59.2	21%
Other income	13.9	2.5	11.4	456%
Expenses	(345.4)	(271.8)	(73.6)	27%
Profit before tax	5.5	8.6	(3.0)	-35%
Tax credit/(expense)	1.5	(1.4)	2.9	-207%
<b>Profit after tax</b>	<b>7.1</b>	<b>7.2</b>	<b>(0.1)</b>	<b>-1%</b>

The Group's revenue increased by 21%, from RM277.8 million in 2023 to RM337.0 million in 2024. However, the Group recorded a profit after tax of RM7.1 million in 2024, which was comparable to the RM7.2 million profit after tax achieved in 2023.

#### Breakdown of revenue by segment

The breakdown of the Group's revenue by respective segment is as follows:

	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	
<b>TMG</b>	231.5	210.6		20.9
<b>IMG</b>	54.9	47.0		7.9
<b>NMG</b>	50.6	20.2		30.4
<b>Total revenue</b>	<b>337.0</b>	<b>277.8</b>		<b>59.2</b>

#### TMG

TMG remains the Group's principal revenue contributor, particularly in the Public and Private Sectors. Over the years, TMG has faced heightened competition across its key markets, leading to some fluctuations in revenue. Public sector spending on system development has remained subdued, with limited opportunities subject to intense competition among IT providers. A similar trend

was observed in the system maintenance segment. Despite these challenges, the Group successfully retained its existing maintenance contracts. In addition, the securing of several major system development contracts in the Public Sector during 2024 significantly contributed to the Group's overall revenue growth and helped mitigate the impact of the competitive market landscape.

Revenue type	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
System application and development	29.6	38.4	(8.8)	-23%
Maintenance services	90.3	61.7	28.6	46%
Network services	53.6	42.3	11.3	27%
Disaster recovery and facility management	17.1	14.5	2.6	18%
Managed security services	33.3	24.4	8.9	36%
Software support and license fees	0.4	0.9	(0.5)	-56%
Net gain on sublease	-	24.3	(24.3)	-100%
Others	7.2	4.1	3.1	76%
<b>Total segment revenue</b>	<b>231.5</b>	<b>210.6</b>	<b>20.9</b>	<b>10%</b>

#### IMG

The business activities under IMG span various sectors, with a stronger focus on product-based offerings rather than system integration. Mailing and document processing, along with database management services, were the key drivers of IMG's revenue growth. These segments contributed to a 17% increase in revenue, rising from RM47.0 million in 2023 to RM54.9 million in 2024, as demand for digitalisation products and solutions continued to gain traction amongst customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

The detailed breakdown of IMG revenue is as follows:

Revenue type	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Information technology services	1.5	0.6	0.9	150%
Mailing and document processing	17.6	14.2	3.4	24%
Database management services	12.7	10.7	2.0	19%
Parking services	16.1	18.0	(1.9)	-11%
Others	7.0	3.5	3.5	100%
<b>Total segment revenue</b>	<b>54.9</b>	<b>47.0</b>	<b>7.9</b>	<b>17%</b>

### NMG

NMG is strategically positioned within the Health, Defence and Renewable Energy Sectors. NMG also manages a concession for Automated Driving License System throughout Malaysia. The significant increase in revenue from RM20.2 million in 2023 to RM51.4 million in 2024 was primarily driven by system application and development projects, from Health sector being the main contributor to this growth.

The detailed breakdown of NMG revenue is as follows:

Revenue type	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
System application and development	39.4	2.6	36.8	1415%
Maintenance services	5.3	5.8	(0.5)	-9%
Engineering works	5.1	9.9	(4.8)	-48%
Others	0.8	2.0	(1.2)	-60%
<b>Total segment revenue</b>	<b>50.6</b>	<b>20.3</b>	<b>30.3</b>	<b>149%</b>

### Revenue by Geographical Segment

Revenue type	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Malaysia	337.0	277.7	59.3	21%
Indonesia	-	0.1	(0.1)	-100%
<b>Total revenue</b>	<b>337.0</b>	<b>277.8</b>	<b>59.2</b>	<b>21%</b>

The Group's geographical segments are classified based on the location of operations, namely Malaysia and Indonesia. In 2024, Malaysia remained the sole contributor to the Group's revenue, as the subsidiary in Indonesia that is engaged in document processing and mailing activities became dormant throughout the year.

### Expenses

Revenue type	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Personnel expenses	88.8	87.9	0.9	1%
Project related expenses	199.6	140.1	59.5	42%
Depreciation and amortisation	14.6	14.2	0.4	3%
Net impairment	4.1	0.4	3.7	925%
Administration expenses	32.7	24.9	7.8	31%
Finance expenses	5.6	4.3	1.3	30%
<b>Total expenses</b>	<b>345.4</b>	<b>271.8</b>	<b>73.6</b>	<b>27%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Total operating expenses of the Group increased by 27%, rising to RM345.4 million in 2024 from RM271.8 million in 2023, in line with the Group's revenue growth during the year. Personnel expenses rose marginally by 1% to RM88.8 million, reflecting the Group's ongoing resource optimisation efforts in tandem with the execution of newly awarded major contracts.

Project-related expenses accounted for 58% of the Group's total expenses. These expenses increased from RM140.1 million in 2023 to RM199.6 million in 2024, in line with the overall revenue growth across all segments.

The Group remains committed to prudent financial management and has continued its rigorous assessment of asset recoverability to ensure fair valuation. In 2024, net impairment on receivables increased to RM4.1 million from RM0.4 million the previous year.

While the Group strives to manage overhead costs effectively, a general increase in operational expenses led to a 31% rise in administration costs in 2024. Finance costs also increased by 30%, primarily due to borrowings undertaken to support the execution of newly awarded contracts.

### Results Before And After Tax

The Group recorded a profit after taxation of RM7.1 million in 2024, slightly lower than the RM7.2 million achieved in 2023, despite the increase in revenue. This decline was primarily due to higher administration expenses incurred during the year.

The Group's Earnings Before Interest, Impairment, Taxation, Depreciation, and Amortisation ("EBIITDA") stood at RM35.4 million in 2024, compared to RM27.5 million in 2023. This slight decline reflects the Group's resilience and ability to navigate a highly competitive and challenging business environment.

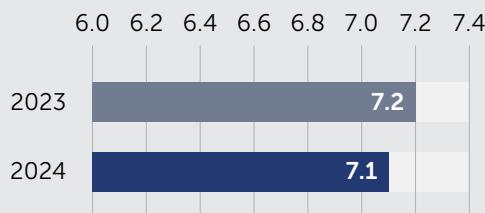
### ANALYSIS OF FINANCIAL POSITION

The tables below show the assets employed, liquidity ratios and working capital of the Group as at the year end of 2024 and 2023.

Assets Employed	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Non-current assets	178.7	191.6	(12.9)	-7%
Current assets	372.3	237.6	134.7	57%
Assets of disposal group classified as held for sale	-	3.8	(3.8)	-100%
<b>Total assets (RM'Mil)</b>	<b>550.9</b>	<b>433.0</b>	<b>117.9</b>	<b>27%</b>
Net current assets	38.1	14.3	23.8	166%
Shareholders' fund	173.6	144.9	28.7	20%
Share capital (units)	111.3	101.2	10.1	10%
Net tangible assets per share (RM)	1.57	1.25	0.32	26%

The Group's total assets increased by 27% to RM550.9 million in 2024, primarily driven by the award of several major contracts during the year. These contracts resulted in higher trade and other receivables, contract assets, and contract cost assets. The increase in shareholders' funds was also supported by the successful completion of a private placement exercise during the year.

### Profit After Taxation (RM'Mil)



## MANAGEMENT DISCUSSION AND ANALYSIS

Liabilities And Working Capital	2024	2023	Variance	
	(RM'Mil)	(RM'Mil)	(RM'Mil)	%
Payables	132.1	104.6	27.5	26%
Borrowings	194.1	117.3	76.8	65%
Lease liabilities	42.6	57.6	(15.0)	-26%
<b>Total liabilities</b>	<b>368.8</b>	<b>279.5</b>	<b>89.3</b>	<b>32%</b>
Gearing ratio (%)	60%	51%		
Current ratio	1.11	1.06		

The Group has consistently maintained a prudent approach in managing its liabilities, striving to keep them at a reasonable level. Operations and obligations were financed through a balanced mix of internally generated funds and available credit facilities. The proportionate utilisation of these funding sources determines the Group's gearing level in supporting its working capital requirements. As of 2024, the Group continues to maintain sufficient credit facilities to meet its operational needs.

The Group's gearing ratio increased to 60% in 2024, compared to 51% in 2023, largely due to the financing requirements associated with the award of major contracts during the year. Meanwhile, the current ratio improved to 1.11 times in 2024 from 1.06 times in 2023, remaining within an acceptable range and reflecting the Group's stable liquidity position.

### HEITECH PADU BERHAD: 2025 OUTLOOK AND STRATEGIC DIRECTION

#### Capitalising on Malaysia's Economic Landscape

In 2025, HeiTech is poised to capitalize on Malaysia's robust economic landscape and the expanding ICT sector. The nation's economy is projected to grow between 4.5% and 5.5%, driven by strong domestic demand and strategic government initiatives. The Malaysian government plans to implement fiscal reforms aiming to reduce the fiscal deficit to 3.8% of GDP. These measures are expected to reallocate resources towards infrastructure and industrial growth, presenting opportunities for ICT companies like HeiTech Padu Berhad to engage in digital transformation projects across various sectors.

Furthermore, the Bank Negara's decision to maintain the key interest rate at 3.00% reflects a stable monetary environment conducive to investment and expansion. This stability, coupled with anticipated growth in domestic consumption and investment, provides a fertile ground for HeiTech to enhance its services in cloud computing, cybersecurity, and digital infrastructure.

The company's 2024 revenue growth, particularly from the NMG segment, indicates increasing opportunities in new market groups and digital solutions. Moving forward in 2025, HeiTech is expected to strengthen its position in the Malaysian ICT market by leveraging digital transformation initiatives, government contracts, emerging technology trends, and the renewable energy segment.

#### Key Growth Drivers for 2025

One of the key growth drivers for HeiTech is the Government Digitalization Initiatives. As Malaysia continues its push toward a digital-first approach, the company is well-designed to secure contracts in cloud computing, cybersecurity, and digital infrastructure projects. The National Digital Network Plan ("JENDELA"), MyDigital framework, and the RM1.5 billion budget allocation under the National Cyber Security Agency ("NACSA") serve as catalysts for expansion in these areas.

Beyond government contracts, HeiTech is looking for growth in the private sector digital solutions market. The rising demand for enterprise software, cloud services, and cybersecurity presents an opportunity for the company to diversify its client base, particularly in key industries such as banking, healthcare, and logistics.

Additionally, Artificial Intelligence ("AI") and automation are reshaping the ICT landscape. Investments in AI-driven cybersecurity, data analytics, and automation can enhance operational efficiency while unlocking new revenue streams. As businesses increasingly rely on data-driven decision-making, HeiTech's ability to offer AI-powered solutions will provide a competitive advantage.

The cloud and managed services segment is also expected to be a major growth area, as more enterprises migrate to hybrid cloud environments. HeiTech can expand its managed services offerings, focusing on data security and

## MANAGEMENT DISCUSSION AND ANALYSIS

infrastructure management to support businesses in their digital transformation journeys.

Furthermore, strategic partnerships and collaborations will be instrumental in accelerating the company's innovation and service capabilities. Collaborating with global technology providers, fintech firms, and local startups can drive synergies, enhance market reach, and support the development of cutting-edge solutions.

While growth opportunities are abundant, HeiTech must also navigate key challenges, including increasing competition from both local and global ICT players. Compliance with evolving regulatory requirements such as data protection laws and cybersecurity regulations will be crucial, requiring continuous investment in security and governance frameworks. Finally is the need to attract and retain top talent in emerging technology fields will be key to sustaining growth for HeiTech.

### Transformation and Future Vision

While the world is evolving rapidly, and these innovations unfold, technology firms must continuously adapt to maintain its relevance. HeiTech is committed to staying ahead by embracing technological advancements in green technology, quantum computing, artificial intelligence, and blockchain. With the latest announcement that HeiTech will undertake a proposed diversification of its existing principal activities of the Group to services in relation to energy solutions, HeiTech has taken a step further to strengthen its revenue stream beyond ICT.

Moving into 2025, HeiTech will embrace change while staying true to its core values: Integrity, Dynamism, Passion for Excellence, and People-Centricity. The company has taken steps to redesign its structure by realigning its core business pillars to be market-driven and consolidating business operations. The new structure centralises functions to enforce better governance and monitoring while retaining focus on varying markets.

HeiTech is committed to integrating sustainability into its core business strategy, ensuring long-term value creation for stakeholders while contributing to a greener and more inclusive digital future. As technology continues to evolve, we recognise our responsibility to minimise environmental impact, promote ethical business practices, and drive socio-economic progress while remaining competitive, investing in future-ready skills, and fostering a customer-centric mindset.

### Commitment to Stakeholders

The journey ahead is not a solitary pursuit but a collective endeavour requiring collaboration and commitment to a shared digital future for both HeiTech and Malaysia. Success will be defined not by the absence of challenges but by the company's resilience in overcoming them. By seeking new business opportunities and positioning itself as a pioneer in the digital technology sector, HeiTech is setting new standards for industry excellence. Moving forward, the Group must continue to innovate, invest in AI and cloud technologies while strengthen strategic collaborations to maintain a competitive edge. By aligning its business strategy with Malaysia's national digital agenda and responding to market demands, HeiTech is well-positioned to solidify its role as a leader in the ICT industry.

To our customers, business partners, and financiers – "Salam from HeiTech" – Let's build a greater future together! As we move forward, we remain committed to innovation, excellence, and growth. Together with our customers, business partners, and stakeholders, we will continue shaping the future of digital transformation in Malaysia and beyond. With a shared vision and unwavering dedication, there are no limits to what we can achieve.

To our shareholders, HeiTech remains committed to delivering success, growing the business, and ensuring long-term value creation. As the company moves forward, we look forward to reporting our progress in the coming year.

# BUSINESS STRENGTHS

Our value creation model is built upon delivering services and solutions that leverage three decades of expertise and competitive advantages to effectively address evolving market trends and demands. HeiTech develops products and services that establish a resilient ecosystem, creating value for our stakeholders by connecting society, businesses, and institutions. Our progress is driven by deep customer insights and the application of cutting-edge technology.

HeiTech continuously evaluates the competencies we have developed over time, aligning them with technological advancements and market dynamics. As a key enabler of the digital economy, we maximise our competitive advantages while minimising exposure to business and operational risks—an essential aspect of our strategy and resilience in a dynamic environment.

## Business Strategies



Market Retention and Expansion



Expansion of Product Mix



Technological Innovation



Strategic Alliance



Accredited Management System



Human Capital Development

### Experienced Industry Player with Proven Track Records

Link to Business Strategies



HeiTech is an experienced industry leader with a demonstrated history of success. With extensive experience and a strong track record of achievements, HeiTech has consistently delivered high-quality solutions and services to both public and private sector customers. Our long-standing presence in the industry has cemented our reputation for reliability, innovation, and excellence, positioning HeiTech as the trusted partner for organisations seeking dependable and effective solutions.

### Revenue Diversification Across Key Segments: Systems Integration, Application Development, Managed Services, and Niche Products

Link to Business Strategies



HeiTech's revenue model is designed to minimise reliance on a single solution to meet diverse market needs. This strategic diversification reduces our dependency on any one income stream, mitigating the risks associated with market fluctuations or shifts in customer demand. Our comprehensive portfolio, which includes System Integration and Application Development, Managed Infrastructure Services, niche solutions, and intelligent solutions, all contribute to the Group's revenue diversity, providing both stability and growth opportunities.

### Strong Regional Footprint

Link to Business Strategies



HeiTech has earned the trust of our customers as a reliable technology partner, thanks to our strong presence across multiple markets and our ability to offer a wide range of solutions. To further strengthen our regional footprint, we have forged strategic collaborations with regional partners whose products and services that complement our own in strategic target markets. Combined with our extensive portfolio of products and services, along with our deep knowledge and experience, these partnerships will accelerate the execution of our expansion strategies.

## BUSINESS STRENGTHS

### Innovative Solutions and Services Suited for All Markets

Link to Business Strategies



HeiTech consistently develops innovative products and services by leveraging the latest technologies. These offerings are designed to help our customers achieve their objectives while upholding the highest standards of service. Our products and services are tailored to meet the needs of diverse markets, enabling HeiTech to remain versatile and agile in a dynamic environment.

### Dynamic Collaboration with Strategic Technology Partners

Link to Business Strategies



HeiTech actively forms dynamic strategic partnerships to strengthen our capabilities and competitiveness in the market. These alliances allow us to leverage our partners' strengths, drive innovation, access new markets, and collaboratively pursue business opportunities. Through these trusted collaborations, we can adapt to changing industry trends, broaden our service offerings, and deliver enhanced value to our customers.

### Process Accreditation

Link to Business Strategies



HeiTech's certifications from both local and international bodies affirm our compliance with globally recognised standards. This accreditation assures our customers that our deliverables meet international standards and are reliable and trustworthy.

### Human and Intellectual Capital

Link to Business Strategies



The skilled and certified technical team at HeiTech enables us to provide cutting-edge technology and comprehensive solutions to our customers. Our team comprises certified professionals with deep expertise in their respective technology domains. By investing in the development of human and intellectual capital, we establish a solid foundation for sustained growth and long-term competitiveness.

# HOW WE ASSESS MATERIALITY

At HeiTech Padu Berhad, materiality assessment is a key pillar of our sustainability and business strategy, ensuring that we prioritize the most significant environmental, social, and governance ("ESG") factors that impact our operations, stakeholders, and long-term value creation.

Our approach is aligned with IFRS S1 (General Requirements for Sustainability-Related Disclosures), Bursa Malaysia's Sustainability Reporting Guidelines, and Integrated Reporting ("IR") principles to ensure transparent and data-driven decision-making. We conduct an annual materiality review, engaging with key stakeholders—including investors, regulators, customers, employees, and industry bodies—to assess emerging risks, opportunities, and sustainability trends.

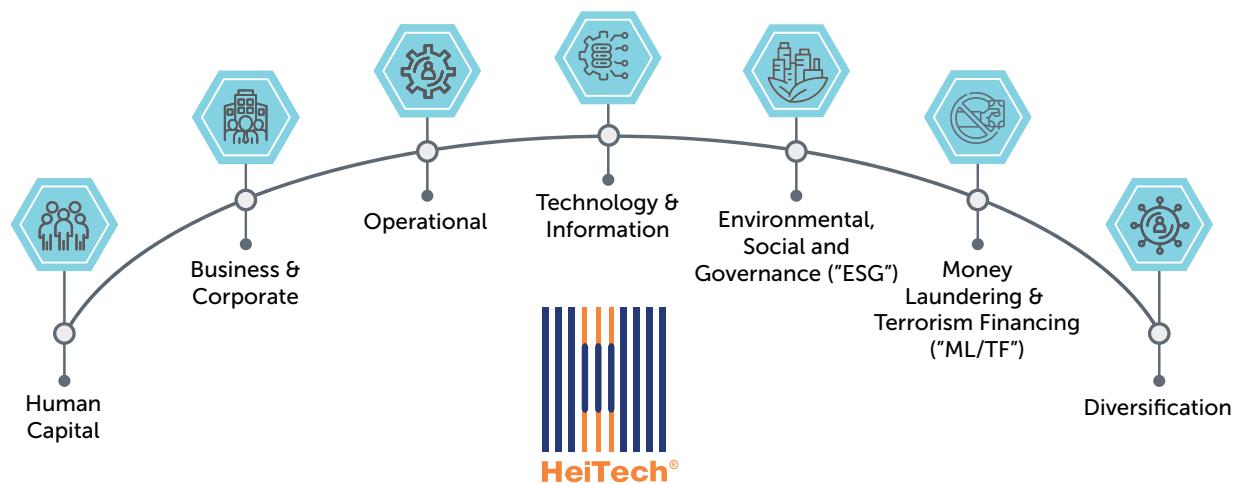
Our Materiality Matrix, developed using a structured risk-ranking methodology, evaluates ESG issues based on their financial significance, regulatory impact, stakeholder priority, and long-term business implications. This process is integrated into our Enterprise Risk Management ("ERM") framework, ensuring that material ESG risks are proactively addressed at both strategic and operational levels.

 A detailed explanation of our materiality assessment process, methodology, stakeholder engagement approach, and Materiality Matrix is provided in the Materiality Assessment section of the Sustainability Statement (see page 59).

## THE RISK WE CONSIDER

In the rapidly evolving technology industry, HeiTech encounters both external and internal factors that impact our ability to create values. To address these challenges, we adopt a proactive approach to risk management, which is integral to our governance, strategy, and decision-making processes. Through our Enterprise Risk Management ("ERM") Framework, we stay ahead of critical risks, enabling us to assess and respond to events that may affect our capacity to generate sustained value. The table below outlines HeiTech's principal risks for the year 2024, which are closely aligned with our business strategies.

HeiTech's risk management framework is overseen by the Board, ensuring strong governance and compliance with IFRS S1 sustainability-related risk disclosures.



## THE RISK WE CONSIDER

HUMAN CAPITAL	
<b>Business Context</b>	
As a technology-driven organisation, HeiTech depends on a highly skilled workforce to drive innovation, deliver complex solutions and maintain competitive advantage in achieving the company's strategic objectives.	
<b>Implications</b>	
<ul style="list-style-type: none"> <li>• Reduced innovation and competitiveness • Operational inefficiency • Leadership gaps and succession challenges</li> </ul>	
<b>Mitigation Measures</b>	
HeiTech focuses on employee development through ongoing training, attracting and retaining top talent and a positive work environment, and establish succession planning for key roles to ensure business continuity. Monitoring performance, fostering diversity and inclusion, and prioritising employee health and well-being will further enhance productivity and reduce turnover.	
Strategy	Material Topics
 	   

BUSINESS & CORPORATE	
<b>Business Context</b>	
For HeiTech, business risk pertains to challenges such as market competition, customer demand shifts, and operational inefficiencies that impact day-to-day operations and service delivery. Corporate risk, on the other hand, encompasses broader strategic concerns like governance, financial stability, legal compliance, and cybersecurity threats, which can affect the company's long-term success and reputation. Managing both types of risks is essential for ensuring HeiTech's growth, sustainability, and leadership in the IT industry.	
<b>Implications</b>	
<ul style="list-style-type: none"> <li>• Disruptions to daily operations and service delivery • Loss of competitive edge and market share • Long-term damage to brand and reputation • Adverse impact on the company's financial performance and market share • Vulnerability to cybersecurity threats and breaches • Undermined credibility, loss of stakeholder trust, compliance issues, and overall sustainability • Exposure to legal actions, penalties and contract terminations</li> </ul>	
<b>Mitigation Measures</b>	
HeiTech is diversifying our revenue streams, strengthen governance and compliance frameworks, and implement a comprehensive risk management strategy. HeiTech also ensures financial stability through effective planning, establish and implement crisis management and business continuity plans, and engage regularly with key stakeholders. Additionally, investing in technology and innovation helps HeiTech stay ahead of market trends and minimise potential risks, ensuring long-term growth and resilience. On anti-corruption and ethical business conduct, HeiTech establishes clear anti-corruption policies, conduct regular staff training, enforce whistleblowing and due diligence processes as well as monitor compliance through audits.	
Strategy	Material Topics
     	    

## THE RISK WE CONSIDER

### OPERATIONAL



#### Business Context

This refers to potential disruptions or losses due to failures in internal processes, systems, personnel, or external factors. This includes issues like technology failures, human error, cybersecurity breaches, and supply chain disruptions, which can impact service delivery, financial performance, and reputation. Proper management of these risks is crucial to maintain HeiTech's operational efficiency and customer trust.

#### Implications

- Service disruptions affecting customer satisfaction
- Reputational damage
- Financial losses
- Regulatory non-compliance
- Loss of competitive advantage

#### Mitigation Measures

HeiTech implements robust internal controls, standardise operational processes, and invest in regular employee training to ensure consistent performance. HeiTech also adopts reasonable technologies and automation to enhance efficiency, reduce human error, and monitor system for potential failures. Strengthening cybersecurity measures, improving supply chain management, and developing clear contingency and disaster recovery plans helps minimise disruptions and ensure smooth business operations. Regular audits and performance reviews are conducted to further identify and address any operational vulnerabilities.

#### Strategy

#### Material Topics



### TECHNOLOGY & INFORMATION



#### Business Context

As a technology organisation, potential disruptions or losses caused by failures, vulnerabilities, or inadequacies in the company's IT infrastructure and systems, could impact service delivery, data security, and reputation. Any threat of unauthorised access, misuse, or loss of critical data may lead to legal penalties, financial losses, and damage to HeiTech's reputation and customer trust. Effective management of both technology and information risks is crucial for maintaining operational continuity and safeguarding stakeholder confidence.

#### Implications

- Service disruptions and downtime
- Loss of sensitive data or unauthorised access to critical information
- Reputational damage
- Financial losses
- Legal and regulatory penalties
- Loss of competitive advantage

#### Mitigation Measures

HeiTech implements robust cybersecurity measures, including encryption, firewalls, and regular security audits to protect sensitive data and systems. HeiTech also invests in ongoing technology upgrades and ensures regular system maintenance to prevent obsolescence or technical failures. Employee awareness on data protection and safe technology practices, along with strong access controls and backup solutions, helps safeguard against cyber threats. Additionally, HeiTech has established disaster recovery and business continuity plans to quickly address potential technological disruptions and ensure minimal service downtime.

#### Strategy

#### Material Topics



# THE RISK WE CONSIDER

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")



### Business Context

This refers to potential negative impacts from non-compliance with climate policies, carbon taxation, environmental regulations, poor labor practices, inadequate corporate governance related to the company's performance in environmental, social, and governance factors. This includes risks from non-compliance with environmental regulations, poor labor practices, inadequate corporate governance, operations, supply chains and failing to meet societal expectations. These risks can harm HeiTech's reputation, financial stability, and stakeholder trust. Effectively managing ESG risks is crucial for HeiTech's long-term sustainability, compliance with global standards, and maintaining a positive impact on the environment and society.

### Implications

- Reputational damage
- Regulatory penalties for non-compliance
- Financial losses
- Decreased employee morale and retention
- Loss of business opportunities
- Increased operational costs

### Mitigation Measures

HeiTech integrates sustainable practices across its operations, including reducing energy consumption and managing waste. HeiTech fosters a positive workplace culture, promote diversity and inclusion, and ensure fair labor practices to address social concerns. We also establish strong governance structures, ensuring transparency, ethical business conduct and compliance with relevant regulations. By proactively engaging with stakeholders and aligning its business strategies with ESG principles, HeiTech enhances its long-term sustainability and reputation in the market.

Strategy	Material Topics

## MONEY LAUNDERING AND TERRORISM FINANCING ("ML/TF")



### Business Context

HeiTech as a technology company has ventured into smart parking business, where payment systems are part of the mobile applications we provide to the customers. HeiTech must comply with anti-money laundering ("AML") and counter-terrorism financing ("CTF") regulations, implement robust transaction monitoring, and conduct thorough customer and partner due diligence. Failure to manage these risks could lead to legal penalties, regulatory sanctions, and reputational damage, affecting the business's growth and sustainability.

### Implications

- Operational disruptions
- Reputational damage
- Financial losses
- Legal and Regulatory non-compliance
- Loss of business opportunities

### Mitigation Measures

For HeiTech's smart parking business, we implement robust Anti-Money Laundering ("AML") and Counter-Terrorism Financing ("CTF") protocols, including thorough customer due diligence, transaction monitoring, and the use of secure payment systems. HeiTech also ensure compliance with relevant regulations, such as screening customers and partners against sanctions lists, and conducting periodic audits to detect suspicious activities. HeiTech collaborates with regulatory institutions to ensure safe and transparent transactions, which further minimise the risks and protect the business from legal and reputational harm.

Strategy	Material Topics

## THE RISK WE CONSIDER

### DIVERSIFICATION



#### Business Context

Amongst our business strategies is to spread our investment across other regions by venturing into new areas of products and services. This effort may pose market and financial risks, given our lack of familiarity with the new market and product dynamics in the markets we are entering.

#### Implications

- Inability to achieve Return on Investment ("ROI") • Inability to source financing for new ventures
- Unable to meet our commitments as per contract • Adverse reputational impact

#### Mitigation Measures

HeiTech is strategically expanding into new portfolio that aligns with our core competencies, and reducing dependence on a single revenue stream. Thorough market research and risk assessments are conducted to ensure new ventures are well-positioned for success. HeiTech also forms strategic partnerships to leverage external expertise and resources, enhancing its ability to adapt to changing market conditions. By maintaining a balanced approach to diversification, HeiTech minimises the potential risks associated with over-reliance on any single market or product.

Strategy	Material Topics
     	    

# OUR STRATEGIC PROGRESS

HeiTech's value creation is reinforced by harnessing six (6) capitals and addressing nine (9) material concerns. The successful interaction of capitals and their relationship to materiality enables HeiTech to provide outputs for the company as well as meaningful results for all stakeholders. These attributes evolve over time and are regularly assessed in light of technological and market shifts, ensuring continued relevance and value addition for stakeholders.

## Materiality

 Investors and Shareholders	 Government and Regulators
 Customers	 Supply Chain and Business Partners
 Employees	 Communities and NGOs

## Strategies

 Market Retention and Expansion	 Strategic Alliance
 Expansion of Product Mix	 Accredited Management System
 Technological Innovation	 Human Capital Development

## Our Capitals

 Financial	 Human
 Manufactured	 Natural
 Intellectual	 Social and Relationship

## Key Risks

 Human Capital	 Diversification
 Business and Corporate	 Money Laundering and Terrorism Financing ("ML/TF")
 Operational	 Environmental, Social and Governance ("ESG")
 Technology & Information	

BUSINESS STRENGTHS	Linkage to Materiality	Risks
<b>Experienced Industry Player with Proven Track Records</b>	   	  
<b>Revenue Distribution Across System Integration and Application Development, Managed Infrastructure Services and Diversified Products</b>	  	  
<b>Strong Regional Footprint</b>	   	  
<b>Innovative Solutions &amp; Services Suited for All Markets</b>	  	  
<b>Dynamic Collaboration with Strategic Technology Partners</b>	  	 
<b>Process Accreditation</b>	  	 
<b>Human and Intellectual Capital</b>	   	  

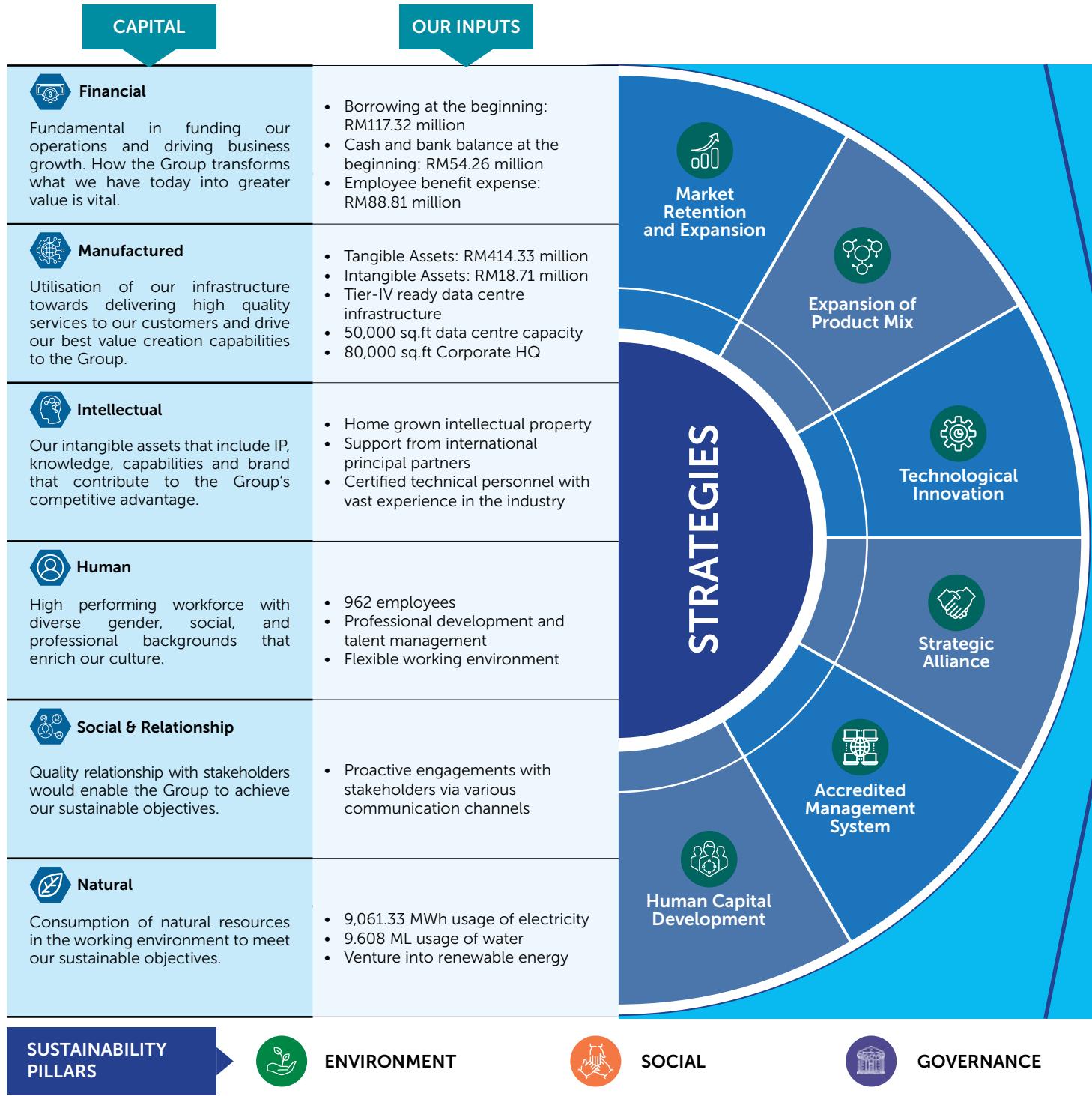
## OUR STRATEGIC PROGRESS

Strategies	Capital Affected	OUTPUTS, PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS
		<p>HeiTech continues to strengthen its position in the industry, securing multiple project awards in 2024 for Systems Integration and Application Development ("SI&amp;AD") as well as Managed Infrastructure Services. Notably, HeiTech received a contract extension for the MYIMMS system at the Immigration Department of Malaysia ("JIM") in 2024, valued at RM13.1 million. The company was also awarded the National Integrated Immigration System ("NIISe") contract, worth RM892.2 million. Additionally, HeiTech secured a contract with the Road Transport Department ("JPJ") for the MySIKAP system, valued at RM190.01 million, along with the JPJ Revamp project, worth RM133.73 million. In January 2025, HeiTech was awarded another contract extension for the MYIMMS system for JIM, with a contract value of RM28.25 million. These achievements underscore HeiTech's commitment to delivering innovative and reliable solutions, reinforcing its role as a trusted technology partner in Malaysia.</p>
		<p>The Group's revenue is derived from a portfolio of products and services namely system integration and application development, managed infrastructure services, and diversified products. The Group recorded a revenue of RM337.1 million in 2024. 56% of the revenue is contributed from system integration and application development, 37% from managed infrastructure services and the remainder comes from diversified products.</p>
		<p>HeiTech continues to expand our presence in the region, through the establishment of PT DesaTech Nusantara. Through this, we have implemented our homegrown cooperative system and school management system in Indonesia with a progressively positive uptake over the years.</p>
		<p>HeiTech customised our offerings based on our customers' needs and requirements by leveraging on the latest technology and applications. Our latest in-house product that we have successfully developed and marketed is JomCheck through our subsidiary Motordata Research Consortium Sdn Bhd ("MRC") which is now gaining traction in the market.</p>
		<p>HeiTech has over the years maintained dynamic engagement with our strategic partners and vendors. Through the collaboration, HeiTech received the ASOCIO Digital Government Award in the Private Sector category, recognising the significant contributions to digital government initiatives. In addition, HeiTech also received two awards at the PIKOM Digital Excellence Awards 2024, including the Tech Luminary (Trailblazer) Award, acknowledging our leadership and innovation in the digital industry. HeiTech was also recognised as one of the leading digital and tech brands at The BrandLaureate DigiTech BestBrands Awards 2024. HeiTech's commitment to excellence was also recognised by Trend Micro, which awarded HeiTech with the Public Sector Partner of the Year 2023 during the Connections 2024 Partner Summit. This accolade highlighted HeiTech's significant contributions to the public sector in the realm of cybersecurity.</p>
		<p>HeiTech adhered to internationally recognised management system standards and successfully maintained the attestations and accreditations from various certification from local and international bodies. These includes CMMI Level 3, TMMi Level 3, QMS, ISMS, SMS, BCMS and ABMS which recognises HeiTech's commitment to delivering the highest quality services to our customers.</p>
		<p>HeiTech has a total of 963 staff of whom 80% are technical and customer-facing personnel and the remaining 20% are on the operational support. Our talent pool comprises industry's top technology experts in their respective fields which provides us with an extensive knowledge base that enables us to serve in multiple platforms of technologies.</p>

# OUR VALUE CREATION MODEL

HeiTech generates value by utilising six (6) capitals. Value creation is necessary for every firm to remain competitive, and it is an important component of business strategy. It entails continual efforts to innovate, develop, and optimise processes in order to produce the best potential outcomes for all stakeholders.

Despite the challenging operating environment of FY2024, HeiTech's value generation strategy remains intact.



## OUR VALUE CREATION MODEL

CORPORATE GOVERNANCE	<p>The roles and responsibilities of the Board of Directors are set out by our charter, in compliance with the Malaysian Code of Corporate Governance ("MCCG") 2021, acting in the best interests of our stakeholders. This is to ensure we remain as the 'trusted technology partner to enable our customers' vision.</p>	
BUSINESS STRENGTHS	OUR OUTPUTS	OUR OUTCOMES
<p><b>Experienced Industry Player with Proven Track Records</b></p> <p><b>Revenue Distribution Across Systems Integration and Application Development, Managed Infrastructure Services and Diversified Products</b></p> <p><b>Strong Regional Footprint</b></p> <p><b>Innovative Solutions and Services suited for all Markets</b></p> <p><b>Dynamic Collaboration with Strategic Technology Partners</b></p> <p><b>Process Accreditation</b></p> <p><b>Human and Intellectual Capital</b></p>	<ul style="list-style-type: none"> <li>• Revenue: RM337 million</li> <li>• EBITDA: RM26.8 million</li> <li>• Cash and bank balance: RM52.16 million</li> <li>• Share Capital: RM136.65 million</li> <li>• Borrowing: RM188.3 million</li> </ul> <ul style="list-style-type: none"> <li>• Improved pipeline and funnel management</li> <li>• Expansion of customer base</li> <li>• Achieved the TIA-942 Rated-3 data centre for HTV2</li> </ul> <ul style="list-style-type: none"> <li>• Adopted international standard and certification i.e. CMMI Level 3, TMMI Level 3, QMS, ISMS, SMS, BCMS and ABMS</li> <li>• Internal knowledge-based repository</li> <li>• Creation of new innovative products and solutions</li> <li>• New market penetration</li> </ul> <ul style="list-style-type: none"> <li>• 962 employees</li> <li>• 80% technical and 20% non-technical workforce</li> <li>• Certified technical personnel</li> </ul> <ul style="list-style-type: none"> <li>• Community programs by HeiTech Cares</li> <li>• Participation in industry roadshows and events</li> <li>• Internships for more than 100 students</li> <li>• University visits</li> <li>• 3U1l programme with UiTM</li> <li>• Partner engagement programs</li> <li>• Stakeholder engagement via event and social media platform</li> </ul> <ul style="list-style-type: none"> <li>• 8,735.01 MWh usage of electricity</li> <li>• 5.148 ML usage of water</li> </ul>	<ul style="list-style-type: none"> <li>• Paid Income Tax: RM1.53 million</li> <li>• Wages and Benefits: RM88.8 million</li> <li>• Paid to financiers: RM5.527 million</li> </ul> <ul style="list-style-type: none"> <li>• Total Assets: RM552.63 million</li> <li>• Excellent connectivity, availability, accessibility and seamless customer support via our Universal Service Centres ("USC") across Malaysia</li> </ul> <ul style="list-style-type: none"> <li>• Penetration into the mass-market - B2C initiatives such as Smart Parking Solutions and Kolleg</li> <li>• Creation of new products -ProSchool, Caringhealth and JomCheck</li> <li>• Secured new contracts from the Ministry of Domestic Trade and Cost of Living ("KPDN") and Inland Revenue Board ("LHDN") for Managed Infrastructure Services. We also secured Hospital Port Dickson and Hospital Bera in System Integration and Application Development that marks a significant achievement in enhancing healthcare information systems</li> </ul> <ul style="list-style-type: none"> <li>• Introduced myRuang as co-working space for Flexible Working Arrangement ("FWA")</li> <li>• Automation and digitalisation of in-house processes to improve efficiency and productivity via DVOC and HeiBot, our in-house virtual assistant</li> <li>• 154 certified IT Professionals</li> </ul> <ul style="list-style-type: none"> <li>• Partnered with MyEG Services Bhd to implement e-government projects in Malaysia, improving digital public services.</li> <li>• Strengthened partnerships by collaborating with Cybots Pte Ltd on cybersecurity and Xperanti IoT on IoT-driven digitalisation</li> <li>• Created job opportunities for 41 fresh graduates through the Protege programme</li> <li>• Supported IT talent development by offering internships to 31 students</li> </ul> <ul style="list-style-type: none"> <li>• Closed sales in renewable energy sector through Life Extension Programme ("LEP") of Sungai Perak Hydroelectric Scheme</li> </ul>

# SUSTAINABILITY STATEMENT

## 1. SUSTAINABILITY@HEITECH

### 1.1 Introduction

HeiTech is committed to delivering innovative, technology-driven products and services tailored to our target markets. As a well-established technology provider, we embed sustainability into our operations, reflecting our mission to *"Touch Lives With Innovative Solutions"* and contribute meaningfully to national development.

Our integration of sustainable practices reflects a firm commitment to generating positive impact. What began as efforts to digitise and digitalise our customers' operations has evolved into the development of smart, tailored solutions. Central to our mission is the continued creation of forward-thinking technologies that deliver value across economic, environmental, and social dimensions for our stakeholders.

We aim to be a trusted technology partner by unlocking new opportunities for long-term value creation, aligned with the vision of a more sustainable nation. This commitment is evident through our contributions to technological innovation and advancement.

### 1.2 Our ESG Statement

HeiTech is a technology company that understands the value of Environmental, Social, and Governance ("ESG"). We are mindful of the challenges associated with operating in developing and emerging markets and seek to create communities that are equal, healthy, diverse and sustainable by combining cutting-edge IT solutions and digital transformation with outstanding ESG performance.

ENVIRONMENTAL

We aim to embed environmental stewardship in all our business activities. We develop guidelines that define the principles and focal areas for environment protection and safety. We have implemented waste management initiatives aimed at improving how we manage our waste and assisted our customers and partners in implementing advanced applications and technologies to reduce resource and energy consumption that have adverse environmental impacts. We are committed to reducing our energy and carbon impacts as we recognised the risks of climate change.

SOCIAL

We aim to create safe and inspiring workplace where people feel valued and motivated. We foster personal and professional growth for all employees through annual performance reviews, role-specific training and professional development opportunities. Our Health and Safety policy aims to ensure safety in our work practices, improve working conditions and promote the occupational health, safety and wellbeing of employees. We embraced and value diversity in all forms with our recruitment process aims to develop a community of diverse talent. Our corporate social responsibility projects focus on helping underprivileged groups, including orphaned or disadvantaged children, the elderly and disabled individuals.

GOVERNANCE

We believe that good governance is essential to creating and preserving value for our shareholders and stakeholders. We comply with all applicable laws, rules, regulations and policies, and embracing our corporate values and business principles. We have an effective, diverse and highly skilled Board of Directors that provides guidance and oversight for the company's strategic direction. Our Board of Directors and employees conduct themselves in accordance with the highest moral and ethical standards and we have strict policies to protect against unlawful discrimination and harassment.

## SUSTAINABILITY STATEMENT

### 1.3 Sustainability Agenda

HeiTech's commitment to being a trusted technology partner extends to all its stakeholders— customers, clients, shareholders, employees, vendors, visitors, and the broader community. In pursuit of this vision, we continuously identify opportunities to create and deliver value in ways that respond to the evolving needs and expectations of our stakeholders.

Our sustainability agenda reflects our commitment to embedding sustainability considerations into strategic decision-making. We aim to align our business goals with stakeholder expectations while managing the broader impacts of our operations on the environment and society.

### 1.4 Sustainability Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals ("UN SDGs"), which are an urgent call for action by all countries in a global partnership. HeiTech strategises and plans sustainability initiatives based on these UN SDGs, with ten (10) of them significantly linked to our business operations. These areas are:



### 1.5 HeiTech Sustainability Goals

GOAL 1	GOAL 2	GOAL 3
<span style="font-size: 2em; color: #003366;">▼</span> <p>To achieve higher levels of sustainable economic growth via innovation, technological advancement and diversification of products and services.</p>	<span style="font-size: 2em; color: #003366;">▼</span> <p>To promote and practice environmental sustainability via the utilisation of reliable and modern clean energy as well as the safety and health of relevant stakeholders.</p>	<span style="font-size: 2em; color: #003366;">▼</span> <p>To ensure sustainable social development for employees and their work environment, global partners, cybersecurity, community support as well as customers.</p>

# SUSTAINABILITY STATEMENT

## 2. BASIS OF PREPARATION

### 2.1 Compliance with IFRS Sustainability Disclosure Standards

This sustainability report for HeiTech Padu Berhad and its subsidiaries (the Group) has been prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"). Specifically, it aligns with:

**IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information**

**IFRS S2 – Climate-related Disclosures**

These standards guide the disclosure of sustainability-related risks and opportunities that could reasonably be expected to impact the Group's financial condition, cash flows, or access to capital over the short, medium, and long term.

Additionally, in preparing this report, Bursa Malaysia's ESG Reporting Framework and other relevant guidance have been referred to and considered where applicable.

### 2.2 Connectivity with Financial Statements

The sustainability disclosures in this report are integrated with the Group's consolidated financial statements prepared under IFRS Accounting Standards and Malaysian Financial Reporting Standards ("MFRS"), and cover the same 12-month reporting period ending 31<sup>st</sup> December 2024.

The time horizons for assessing sustainability-related risks and opportunities are defined as:



The sustainability reporting entity is consistent with the financial reporting entity. It also considers relevant sustainability impacts from the Group's value chain, including joint ventures, key suppliers, and partners.

### 2.3 Transition and Alignment with IFRS Sustainability Standards

The Group is committed to full adoption of the IFRS Sustainability Disclosure Standards (IFRS S1 & IFRS S2) without relying on transitional reliefs. Instead of applying exemptions, the Group has chosen to continue disclosing all relevant sustainability-related risks and opportunities to maintain consistency, transparency, and comparability across reporting periods.

This approach ensures that sustainability information remains fully integrated into the Group's risk management framework and strategic decision-making process, aligning with Bursa Malaysia's ESG Reporting Guide and global best practices.

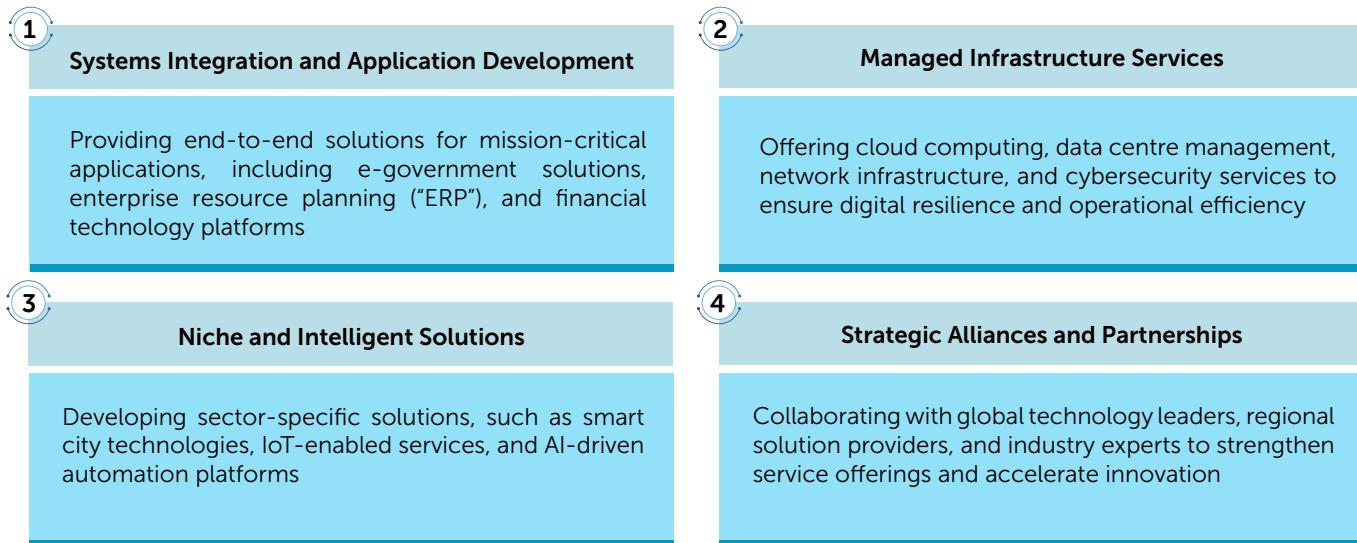
Moving forward, the Group will continuously refine its sustainability governance, risk assessment methodologies, and data collection processes to enhance the quality and completeness of disclosures under IFRS S1 & S2.

### 3. OVERVIEW OF THE GROUP AND VALUE CHAIN

#### 3.1 Overview of the Group

HeiTech Padu Berhad (HeiTech or the Group) is a leading Malaysian technology solutions provider with a strong legacy in systems integration, application development, managed infrastructure services, cybersecurity solutions, and digital transformation initiatives. With over 30 years of experience, the Group has established itself as a trusted partner for government agencies, enterprises, and SMEs, delivering secure, innovative, and scalable solutions that drive Malaysia's digital economy.

The Group's core operations are structured into the following business segments:



HeiTech's business strategies align with its value creation model, emphasising:

- Market Retention and Expansion**  
 Strengthening its position in key sectors through service excellence and customer-centric innovation
- Expansion of Product Mix**  
 Diversifying into emerging digital solutions to meet evolving market demands
- Technological Innovation**  
 Investing in AI, IoT, and cybersecurity to maintain a competitive edge
- Accredited Management Systems**  
 Upholding industry-leading standards such as CMMI Level 3, ISO certifications, and advanced security protocols
- Human Capital Development**  
 Fostering a highly skilled workforce through continuous learning, leadership training, and professional certifications
- Strategic Alliances**  
 Building meaningful collaborations with industry partners, government agencies, and technology providers to drive mutual growth and national digital transformation

HeiTech's strong regional footprint, extensive industry expertise, and commitment to technological excellence position it as a key enabler of digital transformation in Malaysia and beyond

## SUSTAINABILITY STATEMENT

### 3.2 Our Value Chain

HeiTech Padu Berhad operates through a value-driven business model that integrates digital innovation, strategic partnerships, and human capital to deliver impactful solutions for our stakeholders. Our value chain reflects how we harness key inputs and transform them through technology and expertise into outcomes that contribute to long-term stakeholder value, national development, and sustainability.

#### 3.2.1 Capital and Inputs

HeiTech draws upon six interrelated capital resources to enable our value creation process:

	<b>Financial Capital</b>	Funds generated from operations, shareholders, and investments to support business growth, innovation, and infrastructure enhancement
	<b>Manufactured Capital</b>	ICT infrastructure, digital platforms, data centres, and enterprise systems that support service delivery and operational resilience
	<b>Intellectual Capital</b>	Proprietary software, platforms, project methodologies, process frameworks, and innovation capacity — including cybersecurity systems, AI-driven platforms, and cloud solutions
	<b>Human Capital</b>	The talent, skills, and expertise of our workforce — including engineers, developers, project managers, and certified cybersecurity professionals — strengthened by continuous learning and leadership development programmes
	<b>Social and Relationship Capital</b>	Strong collaborative relationships with government, clients, partners, regulators, and the wider community — built on trust, reliability, and co-creation of technology solutions
	<b>Natural Capital</b>	Energy, water, and other environmental resources required to operate data centres, ICT equipment, and office premises — managed responsibly through energy efficiency measures and environmental safeguards

#### 3.2.2 Business Activities

Our core activities transform these inputs into sustainable value through integrated and technology-driven operations:

##### **Solution Design & Development**

End-to-end digital transformation solutions across e-government, fintech, mobility, and cloud domains

##### **Service Delivery & Operations**

Scalable ICT infrastructure, 24/7 managed services, cybersecurity monitoring, and platform integration

## SUSTAINABILITY STATEMENT

### Innovation & R&D

Continuous product enhancement through automation, AI, and smart analytics tailored to client needs

### Cybersecurity & Compliance

Embedding governance, data privacy, and threat management into every layer of system deployment

#### 3.2.3 Outputs and Outcomes

Through these processes, we deliver measurable and sustainable outcomes:



#### 3.3 ESG Integration in the Value Chain

Aligned with IFRS S1 and S2 requirements and Integrated Report 2024, HeiTech embeds Environmental, Social, and Governance ("ESG") considerations across its value chain.



##### Environmental Responsibility

- Implementing energy-efficient data centres, reducing carbon footprint
- Developing sustainable smart solutions for smart cities and digital infrastructure



##### Social Impact

- Strengthening cybersecurity resilience to protect user data and digital privacy
- Investing in workforce development – Talent upskilling, diversity, and inclusion programs



##### Governance and Risk Management

- Ensuring regulatory compliance with Bursa Malaysia ESG Reporting Framework, IFRS S1/S2, and ISO standards
- Enhancing business continuity planning to mitigate operational disruptions

HeiTech remains committed to sustainable value creation, leveraging its strong technological foundation, robust stakeholder relationships, and ESG-driven initiatives to drive long-term growth and innovation.

## SUSTAINABILITY STATEMENT

### 4. REPORTING BOUNDARY

#### 4.1 Reporting Scope and Coverage

This sustainability report for HeiTech Padu Berhad (HeiTech or the Group) has been prepared in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), Bursa Malaysia's ESG Reporting Framework, and the Integrated Report 2024 guidelines.

For this reporting period, the reporting boundary is limited to HeiTech Padu Berhad as the Parent Entity, with subsidiaries, regional offices, and joint ventures currently excluded. The Group may expand coverage in future reporting cycles as data collection processes mature.

HeiTech assesses sustainability-related risks and opportunities based on their impact on the Group's financial performance, access to capital, and strategic resilience over the short, medium, and long term.

#### 4.2 Organisational Boundary

In accordance with IFRS S1.20 and IFRS S1.B38, HeiTech determines its organisational boundary based on operational control. However, for this reporting period, the sustainability disclosures are limited to the Parent Entity (HeiTech Padu Berhad) and do not extend to subsidiaries, joint ventures, or regional offices.

#### 4.3 Reporting Boundary and Value Chain Risk Considerations

While this report does not include HeiTech's subsidiaries or regional offices, we assess sustainability-related risks across the value chain that may have financial, operational, or reputational implications. Our reporting boundary reflects key areas within the organisation's value creation process and extends to relevant external interfaces where material sustainability impacts may arise.

The boundary covers the following areas:

##### 4.3.1 Supply and Strategic Partnerships

HeiTech engages with a wide network of technology providers, infrastructure partners, and service vendors to support solution delivery and innovation. Material sustainability considerations include cybersecurity and data privacy risks introduced through third- party software, cloud, and network service providers.

##### 4.3.2 Operational Activities

This report includes sustainability-related financial and non-financial disclosures for HeiTech's primary business operations, encompassing:

Systems integration and software development	Managed ICT services including cloud, cybersecurity, and data centre operations	Deployment of AI-powered and smart digital solutions across client sectors
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We focus on governance, efficiency, energy use, and risk management practices embedded within these core functions.

#### 4.3.3 Client and Stakeholder Interfaces

HeiTech's value chain includes the sustainability implications of how our solutions impact clients and broader markets. Material considerations include:

- Data protection, cybersecurity, and regulatory compliance risks faced by government and enterprise clients
- Financial exposure related to ESG-linked regulations
- Broader social outcomes, including equitable digital access, digital upskilling, and inclusion in underserved communities

#### 4.4 Greenhouse Gas (GHG) Emissions Reporting Boundary

HeiTech measures GHG emissions in accordance with the GHG Protocol and IFRS S2 Climate-Related Disclosures, with Scope 1 and Scope 2 reporting limited to the Parent Entity (HeiTech Padu Berhad).

For Scope 3, the reporting boundary considers:

- a. Employee business travel emissions
- b. Employee commuting emissions
- c. Scope 1 and 2 emissions, reporting 100% of emissions from entities under direct control

HeiTech is committed to enhancing emissions reporting by expanding the boundary to include subsidiaries within two years to improve emissions data accuracy.

#### 4.5 Judgements and Assumptions in Reporting Boundary

The determination of HeiTech's reporting boundary involves judgements and estimates, particularly regarding:

##### Materiality assessment

Evaluating which sustainability-related risks have a material financial impact on the Group's operations

##### Data availability

Estimating Scope 3 emissions where data is not fully available

##### Future scenario modelling

Incorporating forward-looking sustainability risks such as climate regulation and AI- driven disruptions

HeiTech follows IFRS S1.74 and IFRS S1.75 to ensure transparent disclosure of these judgements and uncertainties.

## SUSTAINABILITY STATEMENT

### 4.6 First-time Adoption of IFRS Sustainability Disclosure Standards (Without Transition Reliefs)

As this is HeiTech's first year reporting under IFRS S1 and IFRS S2, the Group has opted to fully disclose sustainability-related risks and opportunities without applying any transition reliefs.

HeiTech is committed to maintaining comparability, transparency, and consistency in sustainability disclosures, ensuring that all relevant financial and non-financial sustainability data is integrated into its reporting framework. The sustainability report is issued as part of the Group's broader corporate reporting structure, aligning with IFRS S1's requirement for connectivity between financial and sustainability-related disclosures.

Moving forward, the Group will continue refining its ESG performance tracking, financial impact assessments, and long-term sustainability commitments, ensuring alignment with IFRS Sustainability Disclosure Standards, Bursa Malaysia's ESG Reporting Framework, and international best practices.

## 5. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES IN HEITECH'S SUSTAINABILITY REPORTING

Based on the extracted data from the Bursa Malaysia ESG Reporting Platform, HeiTech applies several judgements and assumptions in measuring its sustainability-related disclosures, particularly under IFRS S1 (General Requirements for Sustainability-Related Disclosures) and IFRS S2 (Climate-Related Disclosures). Below is a breakdown of the key judgements and measurement uncertainties:

### 5.1 Emissions Calculation Assumptions (Scope 1, Scope 2, and Scope 3)

HeiTech follows the GHG Protocol to estimate CO<sub>2</sub>e emissions, but due to data limitations, the following assumptions are applied:

#### 5.1.1 Scope 1 – Direct Emissions from Company-Owned Vehicles

- Judgement Applied: Actual per-vehicle fuel consumption is not consistently available across HeiTech's fleet
- Measurement Assumption: Emissions are estimated based on total fuel consumption and emission factors

Vehicle Registration No	Fuel Type	Estimated Fuel Consumed (L)	Direct Emission Factor (kg CO <sub>2</sub> e/L)	Emission (kg CO <sub>2</sub> e)	Emission (Mt CO <sub>2</sub> e)
Toyota Camry (BJR 169)	Petrol	697.00	2.0844	1,452.827	1.453
Naza Ria (WMW 4786)	Petrol	0.00	2.0844	0.000	0.000

#### 5.1.2 Scope 2 – Indirect Emissions from Electricity Consumption

- **Judgement Applied:** Electricity consumption data is sourced from utility providers, but location-based emission factors vary

Menara HeiTech Village 1 (kWh)	HeiTech Village 2 Data Centre (kWh)	Total Electricity Consumption (MWh)	GRID Emission Factor (kg CO <sub>2</sub> e/MWh)	Total Emission (Mt CO <sub>2</sub> e)
227,684	8,507,324	8,735.01	0.774	6,760.896

### 5.1.3 Scope 3 – Business Travel and Supply Chain

- Due to limitations in direct activity data (e.g., kilometers flown or driven), HeiTech estimates emissions based on financial expenditure using proxy emission factors per US Dollar
- Emissions for air and land transport are calculated using both RM and USD denominated spend, with exchange rate and factor alignment

#### Emission Calculation Methodology:

- MYR to USD Exchange Rate (2024 Average): USD 1 = MYR 4.576
- Emission Factors:
  - Air Transport: 0.2575 kg CO<sub>2</sub>e per USD
  - Land Transport: 0.1645 kg CO<sub>2</sub>e per USD

#### Summary of Estimated Emissions from Business Travel:

Category	Spend (RM)	Spend (USD)	Emission Factor (kg CO <sub>2</sub> e/USD)	Emission (kg CO <sub>2</sub> e)	Emission (Mt CO <sub>2</sub> e)
Air Travel	1,484,608.31	324,433.63	0.2575	83,525.44	83.53
Land Travel	371,152.08	81,108.41	0.1645	13,342.33	13.34
<b>Total</b>	<b>1,855,760.39</b>	<b>405,542.04</b>	-	<b>96,867.77</b>	<b>96.87</b>

These emissions are reported under Scope 3, Category 6 (Business Travel) in accordance with the GHG Protocol and Bursa Malaysia ESG Disclosure requirements.

- Estimated based on spend data and emission factors per dollar (air and land transport)
- Supply chain emissions estimated based on local/non-local sourcing ratios

### 5.2 Water and Energy Measurement Assumptions

HeiTech measures water usage in Megaliters ("ML"), but limitations in data granularity require assumptions:

- Judgement Applied: Certain offices/facilities do not have separate water meters. Offices without separate meters use shared building estimates
- Measurement Assumption:
  - Estimates for some locations are extrapolated from total building consumption.
  - Reduction in water use is assumed to be proportional to sustainability initiatives
- Uncertainty:
  - Lack of real-time monitoring at all locations

## SUSTAINABILITY STATEMENT

### 5.3 Emissions Summary by Scope

HeiTech's total greenhouse gas ("GHG") emissions for 2024, measured in metric tonnes of CO<sub>2</sub> equivalent ("Mt CO<sub>2</sub>e"), are summarised below following the Bursa Malaysia ESG Disclosure requirements:

Bursa Category	Emission Description	2024 Emissions (Mt CO <sub>2</sub> e)
Scope 1 (Direct)	1 company vehicle; excludes 1 vehicle and 5 generators	1.45
Scope 2 (Indirect)	Electricity purchased and solar (no offsets, reduced consumption only)	6,760.90
Scope 3 (Category 6)	Business travel (airfare and mileage-based)	96.87
Scope 3 (Category 7)	Employee commuting (based on distance and mode)	2,023.78

Total emissions reflect HeiTech's operational activities and commuting-related emissions, without carbon offsets applied. The methodology aligns with IFRS S2, the GHG Protocol, and Bursa ESG metrics.

Offices without separate meters use shared building estimates.

Constant Power Usage Effectiveness (PUE) of 1.5 used across data centers.

#### 5.3.1 Scope 3 – (Employee Commute & Supply Chain Emissions)

- Judgement Applied: HeiTech does not have accurate commuting distance or fuel data for employees
- Measurement Assumption:
  - Employee commute CO<sub>2</sub>e is estimated using transportation expense data (RM spent)
  - Assumes an average vehicle fuel efficiency for estimating distance
  - Supply chain emissions (third-party vendors) are based on self-reported data or industry benchmarks
- Uncertainty:
  - Variability in employee transport choices (cars, public transport, carpooling)
  - Fuel price fluctuations impact RM-to-distance conversion
  - Some suppliers do not disclose emissions data, leading to reliance on industry averages

## SUSTAINABILITY STATEMENT

### 6. MATERIALITY ASSESSMENT

#### 6.1 Overview

Materiality assessment is a critical component of HeiTech Padu Berhad's sustainability strategy, ensuring that we prioritise the most significant environmental, social, and governance ("ESG") factors that impact our operations, stakeholders, and long-term value creation. This assessment is conducted in alignment with:

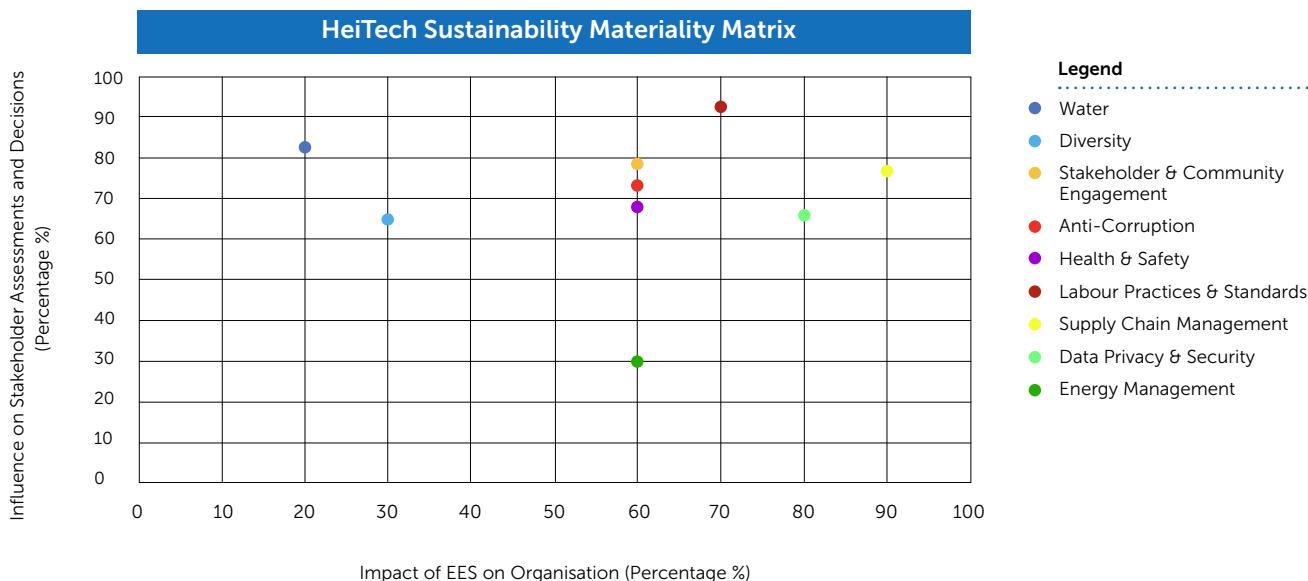


HeiTech Padu Berhad conducted a comprehensive Materiality Assessment in 2023, aligning with the IFRS S1 Sustainability Disclosure Standards, Bursa Malaysia's ESG Reporting Framework, and stakeholder expectations. This assessment identified key sustainability-related risks and opportunities that are financially and operationally significant to the Group.

As the material topics and stakeholder priorities remain largely unchanged, HeiTech has opted to maintain the same materiality assessment for this reporting period, with no updates conducted in 2024. The next scheduled review will take place in 2025 to ensure continued relevance and alignment with evolving sustainability trends, regulatory expectations, and business strategies.

#### 6.2 Materiality Matrix

HeiTech identifies material sustainability matters based on their importance to our company and stakeholders. The materiality matrix below illustrates the results of the materiality assessment.



## SUSTAINABILITY STATEMENT

### 6.3 Materiality Determination Process

HeiTech Padu Berhad applies a structured and data-driven approach to materiality assessment, ensuring that its sustainability priorities align with regulatory expectations, stakeholder concerns, and long-term corporate resilience. In line with Bursa Malaysia's ESG Reporting Guide, HeiTech has refined its materiality assessment framework, integrating relevant ESG indicators to enhance transparency and accountability in sustainability disclosures.

In 2023, HeiTech's materiality assessment followed a systematic three-step process to identify, assess, and prioritise sustainability topics that are most relevant to both the company and its stakeholders. This process ensures that material ESG factors are embedded into corporate decision-making and sustainability reporting:

#### 1. Identification of Material Topics

HeiTech conducted a comprehensive review of Bursa Malaysia's ESG indicators, regulatory requirements, industry trends, and global reporting frameworks such as IFRS S1 & S2. This step ensured that key environmental, social, and governance ("ESG") factors were aligned with industry expectations and corporate objectives.

### 6.4 Stakeholder Engagement

Materiality assessment involves active engagement with internal and external stakeholders to determine which ESG issues are most critical. The key stakeholders include:

	Stakeholder Group	Engagement Approach	Key ESG Concerns
	Investors & Shareholders	Annual General Meetings ("AGM"), Investor Briefings	ESG risks affecting financial performance, carbon emissions, corporate governance
	Customers	Surveys, One-on-One Engagements	Data privacy, cybersecurity, product innovation, service quality
	Employees	Employee Engagement Sessions, Training Programs	Diversity & Inclusion, Health & Safety, Work-Life Balance
	Government & Regulators	Compliance Reporting, Industry Working Groups	Bursa Malaysia ESG reporting compliance, carbon tax policies, anti-corruption measures
	Supply Chain & Business Partners	Supplier Audits, ESG Collaboration	Sustainable procurement, ethical sourcing, environmental impact
	Communities & NGOs	CSR Programs, Public Consultations	Social contribution, environmental impact, job creation

## 6.5 Materiality Matrix - Key ESG Issues

HeiTech Padu Berhad applies a materiality matrix approach to classify ESG issues based on business impact and stakeholder priority.

The matrix categorises material topics into three tiers:

High Priority (Strategic ESG Risks & Opportunities)
<ul style="list-style-type: none"> <li>• Cybersecurity &amp; Data Privacy – Increasing regulatory scrutiny and financial impact from breaches</li> <li>• Carbon Emissions &amp; Energy Management – Regulatory-driven financial exposure (IFRS S2)</li> <li>• Ethics &amp; Anti-Corruption – Compliance with Bursa Malaysia's ESG requirements</li> <li>• Diversity &amp; Inclusion – Workforce competitiveness and employer branding</li> <li>• Sustainable Digital Transformation – AI, cloud, and automation-driven business evolution</li> </ul>
Medium Priority (Operational ESG Risks & Compliance)
<ul style="list-style-type: none"> <li>• Supply Chain Sustainability – Managing Scope 3 emissions and responsible sourcing</li> <li>• Employee Well-being &amp; Health &amp; Safety – Regulatory compliance and talent retention</li> <li>• Water &amp; Resource Efficiency – Operational cost impact and regulatory risks</li> </ul>
Emerging ESG Trends (Long-Term Strategic Focus)
<ul style="list-style-type: none"> <li>• Biodiversity &amp; Environmental Conservation – Future regulatory risks related to sustainable business operations</li> <li>• AI Ethics &amp; Digital Governance – Addressing AI-related regulatory shifts</li> </ul>

## 6.6 Integration into Enterprise Risk Management ("ERM") Framework

HeiTech's material ESG risks are embedded in our Enterprise Risk Management ("ERM") Framework, ensuring that sustainability-related risks are proactively managed at both strategic and operational levels.

- **Governance Oversight:** ESG risks are reviewed at the Board and Risk Management Committee level
- **Risk-Based ESG Reporting:** IFRS S1/S2-aligned disclosures integrate sustainability risk into financial decision-making
- **Strategic Mitigation Plans:** Each material ESG issue is managed through policy frameworks, action plans, and ESG performance indicators

## 6.7 Continuous Review & Future Enhancements

Materiality assessments are reviewed annually to reflect emerging sustainability trends, regulatory changes, and stakeholder expectations. Future enhancements include:

1. Adopting AI-driven ESG data analytics for real-time risk tracking
2. Enhancing sustainability-linked financial disclosures to strengthen investor confidence

HeiTech remains committed to continuous ESG improvements, ensuring resilience, compliance, and value creation for all stakeholders.

## SUSTAINABILITY STATEMENT

### 7. SUSTAINABLE GOVERNANCE

#### 7.1 Overview

HeiTech Padu Berhad is committed to embedding sustainability governance within its corporate structure, risk management framework, and business strategy. Sustainable governance ensures that ESG-related risks and opportunities are effectively managed, in compliance with:

IFRS S1 (General Requirements for Sustainability-Related Disclosures)

Bursa Malaysia ESG Reporting Framework

Best practices in corporate governance and ethical leadership

This governance structure enables long-term value creation, regulatory compliance, and stakeholder trust.

#### 7.2 Governance Structure for Sustainability

##### Board Oversight on Sustainability

The Board of Directors plays an integral role in overseeing HeiTech's sustainability strategy, risk management, and ESG disclosures. Key responsibilities include:

- Ensuring alignment of sustainability strategy with IFRS and Bursa Malaysia ESG requirements
- Overseeing the integration of ESG risks into financial and operational decision-making
- Monitoring climate-related financial risks and opportunities (IFRS S2 compliance)

#### Board Committees Responsible for Sustainability Governance

Committee	Key ESG Responsibilities
<b>Board of Directors</b>	Overall oversight of ESG strategy, risk management, and sustainability performance.
<b>Risk Management and Audit Committee</b>	Integrates ESG risks into Enterprise Risk Management ("ERM") and ensures transparency in disclosures.
<b>Executive Management Team</b>	Implements sustainability strategy, drives ESG initiatives, and ensures operational execution.

##### Senior Leadership Accountability

The Chief Executive Officer ("CEO") and Executive Leadership Team are accountable for:

- Executing the sustainability strategy and reporting to the Board
- Ensuring compliance with ESG regulations and standards
- Driving initiatives in climate resilience, ethical business conduct, and governance integrity

##### Day-to-Day Implementation

For day-to-day implementation, the responsibilities are carried out by each respective departments with the Sustainability unit under Strategic Communications and Sustainability acting as the monitoring party.

### **7.3 Sustainability Policies and Ethical Business Conduct**

HeiTech enforces strong corporate governance policies that align with IFRS S1 requirements for sustainability-related risk disclosures.

#### **Ethics and Compliance Framework**

- Anti-Bribery and Corruption Policy ("ABCP") – Commitment towards good governance, integrity, promoting transparency and an ethical code of conduct of its operations and business activities
- Whistleblowing Policy and Guidelines – Providing mechanisms for employees and stakeholders to report unethical conduct and protection to whistleblowers
- HeiTech Anti-Corruption plan ("HACP") - Framework towards strengthening governance and integrity to combat bribery and corruption, promote good ethical values, transparency, accountability, and safeguard stakeholder and organisation against potential corporate liability under section 17A MACC Act
- Data Privacy and Cybersecurity Policy – Safeguarding customer and employee data under global cybersecurity standards (ISO 27001, ISMS)

These governance policies reduce financial, reputational, and regulatory risks while ensuring a culture of accountability and ethical leadership.

### **7.4 ESG Risk Integration in Enterprise Risk Management ("ERM")**

#### **7.4.1 ESG Risk Governance**

HeiTech integrates Environmental, Social, and Governance ("ESG") risks into our Enterprise Risk Management ("ERM") framework, ensuring a proactive and structured approach to sustainability risk mitigation. Given HeiTech's commitment to a risk-averse strategy, ESG risks are monitored and managed in alignment with international standards, including IFRS S2 requirements, industry best practices, and regulatory expectations.

HeiTech's ESG risk governance framework, effective March 2025, encompasses:

#### **7.4.2 Climate-Related Risks and Regulatory Compliance**

- Climate risks such as carbon pricing, regulatory shifts, and climate-related financial risks are incorporated into strategic planning and financial decision-making
- ESG disclosures align with IFRS S2 climate-related risk requirements, ensuring transparency, risk resilience, and compliance with evolving global standards
- Climate risk assessments consider physical risks (extreme weather, asset vulnerabilities) and transition risks (policy changes, carbon taxation, market shifts) to inform business continuity planning and investment decisions

## SUSTAINABILITY STATEMENT

### 7.4.3 Operational ESG Risks: Cybersecurity and Data Privacy

Cybersecurity and data privacy risks are managed within HeiTech's risk-averse cybersecurity posture, integrating ESG risk-based governance to safeguard critical infrastructure, digital assets, and regulatory compliance
Ongoing security enhancements and resilience-building measures ensure that HeiTech remains protected against emerging cyber threats, regulatory non-compliance, and reputational risks
Data governance frameworks align with international cybersecurity and privacy standards, ensuring responsible data stewardship across HeiTech's operations and digital services

### 7.5 Supply Chain ESG Risks and Sustainable Procurement

ESG risks across HeiTech's supply chain—including Scope 3 emissions, ethical sourcing, labour practices, and supplier sustainability compliance will be integrated into procurement policies and vendor assessments

Supplier selection and contract management prioritise low-risk, sustainable, and ethically responsible partnerships to mitigate exposure to environmental, social, and governance-related liabilities

Ongoing monitoring and audits ensure that HeiTech's supply chain adheres to international ESG reporting requirements, ethical business practices, and sustainability commitments

#### 7.5.1 Governance and Strategic Oversight of ESG Risks

ESG risk governance is embedded within HeiTech's corporate governance structure, ensuring that sustainability risk assessments inform executive decision-making and strategic planning.

The Board of Directors and Risk Management Committees oversee ESG risk exposures, ensuring business strategies align with HeiTech's long-term sustainability goals.

Investments and business development initiatives undergo ESG risk evaluation, ensuring that financial growth is balanced with responsible environmental, social, and governance considerations.

HeiTech's risk-averse approach to ESG governance reinforces our commitment to long-term sustainability, regulatory compliance, and business resilience, ensuring that ESG risks are identified, assessed, and mitigated effectively across all areas of operations.

#### 7.5.2 Key ESG Risks and Mitigation Strategies

Risk Category	Business Impact	Mitigation Approach
<b>Climate Change and Carbon Taxation</b>	Increased operational costs due to potential carbon tax regulations	Implementing energy efficiency measures, tracking emissions, and integrating climate-risk scenario analysis
<b>Cybersecurity and Data Privacy</b>	Risk of cyberattacks leading to financial and reputational damage	Strengthening cybersecurity frameworks, regulatory compliance (ISO 27001, GDPR)

## SUSTAINABILITY STATEMENT

Risk Category	Business Impact	Mitigation Approach
<b>Anti-Corruption and Ethical Business Conduct</b>	Reputational and legal risks due to non-compliance with anti-bribery laws.	Robust whistleblowing policy, anti-corruption training, and supplier due diligence

### 7.6 ESG Performance Monitoring and Sustainability Metrics

HeiTech ensures transparency in ESG performance through KPIs and performance tracking mechanisms in line with Bursa Malaysia ESG Reporting and IFRS Sustainability Disclosure Standards.

#### Key ESG Performance Metrics

ESG Category	KPI	2024 Performance	Target 2025
<b>Carbon Emissions (Scope 1,2 and 3) (Category 6 and 7)</b>	Total CO <sub>2</sub> e emissions (metric tons)	8,883 metric tons	Reduce by 5%
<b>Water Efficiency</b>	Total water consumption (Megaliters)	5.148 ML	Improve by 5%
	Percentage of female employees		
<b>Employee Diversity</b>	Management	3.01%	Increase to 5%
	Executive	35.86%	Increase to 40%
	Non-Executive	0.52%	Increase to 1%
	Percentage of employees trained in anti-corruption policies		
<b>Ethical Compliance</b>	Management	66.97%	Increase to 75%
	Executive	64.00%	Increase to 70%
	Non-Executive	64.29%	Increase to 70%

ESG performance is currently reported annually in 2024 but is planned to be reported quarterly to the Board in 2025, ensuring continuous tracking and accountability.

### 7.7 Continuous Improvement and Future Focus Areas

To strengthen its sustainability governance framework, HeiTech is committed to:

1.	<b>Enhancing Board and Leadership ESG competency –</b> Increasing sustainability training and awareness for Board members
2.	<b>Expanding ESG - linked executive performance incentives –</b> Aligning leadership compensation with ESG performance targets
3.	<b>Leveraging AI-driven ESG reporting –</b> Automating sustainability data collection for enhanced reporting accuracy

HeiTech remains dedicated to governance excellence, risk management integration, and ESG transparency, ensuring compliance with global sustainability standards and stakeholder expectations.

## SUSTAINABILITY STATEMENT

### 8. BURSA MALAYSIA ESG REPORTING PLATFORM

#### 8.1 Overview

HeiTech Padu Berhad adheres to Bursa Malaysia's ESG Reporting Framework, ensuring transparency, regulatory compliance, and sustainability integration within its business operations. This section details HeiTech's alignment with Bursa Malaysia's ESG disclosure requirements.

HeiTech's ESG reporting ensures data-driven sustainability disclosures, risk-based ESG governance, and continuous performance monitoring.

#### 8.2 Alignment with Bursa Malaysia's ESG Reporting Framework

##### 8.2.1 ESG Disclosure Requirements

Under Bursa Malaysia's Listing Requirements, HeiTech is required to disclose material ESG factors affecting financial performance, risk exposure, and stakeholder interests. HeiTech's sustainability disclosures align with the following mandatory and voluntary disclosure requirements:

i. Water	vi. Labour Practices & Standards
ii. Diversity	vii. Supply Chain Management
iii. Stakeholder & Community Engagement	viii. Data Privacy & Security
iv. Anti-Corruption	ix. Energy Management
v. Health & Safety	x. Emissions (GHG Scope 1, Scope 2 and Scope 3 – Business Travels and Employee Commuting)

#### 8.4 ESG Assurance and External Validation

To enhance credibility and stakeholder confidence, HeiTech implements independent ESG assurance practices, ensuring:

- Third-party verification of ESG data reported via the Bursa Malaysia ESG Platform
- Alignment of sustainability reporting with IFRS and Bursa Malaysia ESG standards
- Regular internal audits of ESG risk controls and governance frameworks

HeiTech is committed to enhancing the integrity of its sustainability reporting by progressively adopting AI-driven ESG data analytics for improved tracking accuracy.

#### 8.5 Continuous Improvement and Future Roadmap

HeiTech's sustainability reporting strategy evolves to meet Bursa Malaysia's enhanced ESG disclosure expectations, including:

1. Enhancing AI-driven ESG reporting automation for real-time tracking
2. Expanding Scope 3 emissions disclosures for supply chain sustainability insights
3. Strengthening ESG-linked executive incentives tied to sustainability performance
4. Increasing investor and stakeholder engagement on ESG matters

HeiTech remains dedicated to best-in-class ESG reporting, governance, and transparency, ensuring alignment with Bursa Malaysia ESG requirements, IFRS standards, and global sustainability best practices.

## 9. ENVIRONMENT-RELATED RISKS AND OPPORTUNITIES

### 9.1 Overview

HeiTech Padu Berhad recognises the growing financial and operational impact of environmental risks and is committed to proactively managing environmental sustainability in line with:

IFRS S1 and IFRS S2 (Climate-Related Disclosures)	Bursa Malaysia ESG Reporting Framework	Best practices in climate resilience, emissions reduction, and resource efficiency
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This section outlines material environmental risks, mitigation strategies, and sustainability opportunities that HeiTech integrates into its business strategy and risk management framework.

### 9.2 Environmental Risk Management Approach

With the launch of HeiTech's Enterprise Risk Management ("ERM") Framework in February 2025, the company is reinforcing its environmental risk governance to align with business resilience strategies, regulatory expectations, and sustainability commitments. HeiTech adopts a risk-based environmental management approach, ensuring that climate, resource, and regulatory risks are assessed and incorporated into long-term business planning and operational decision-making.

As HeiTech continues to develop and refine its ESG risk management strategies, environmental risks will be proactively monitored and addressed within the ERM Framework to ensure compliance, financial stability, and sustainability integration.

#### Key Environmental Risk Categories and Mitigation Strategies

HeiTech will continue to enhance its environmental risk governance as part of its ERM evolution, ensuring that future policies, strategies, and investments align with sustainability goals, regulatory expectations, and business resilience planning.

Risk Category	Potential Business Impact	Mitigation Approach
Climate Change and Emissions	Increased costs from carbon taxes, energy demand	Efficiency measures, renewable integration
Regulatory Compliance	Stricter ESG standards and penalties	ESG governance, reporting alignment
Water Scarcity	Rising water costs, operational disruption	Efficiency programs, data tracking
E-Waste	IT hardware disposal regulation	Green IT and certified vendors

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### 9.3 Carbon Emissions & Energy Efficiency

#### 9.3.1 GHG Emissions Reporting (IFRS S2 Compliance)

HeiTech discloses Scope 1, 2, and 3 emissions in compliance with IFRS S2 Climate- Related Disclosures, GHG Protocol and Bursa Malaysia ESG reporting guidelines.

Emission Scope	Emission Sources	Measurement & Reporting Approach
<b>Scope 1 (Direct Emissions)</b>	Fuel consumption from company- owned vehicles, generators	Estimated based on fuel expenses and energy intensity
<b>Scope 2 (Indirect Emissions)</b>	Purchased electricity for offices, data centers	Calculated using local grid emission factors
<b>Scope 3 (Value Chain Emissions)</b>	Employee commuting, supplier emissions	Estimated using industry benchmarks and supplier-reported data

HeiTech's total emission for 2024 is reported at 8,883 metric tonnes.

#### 9.3.2 Energy Management & Efficiency Initiatives

- Transition to low-carbon energy sources, integrating renewable energy into IT operations
- Optimisation of data centre energy use by improving server efficiency and cooling systems
- AI-driven energy monitoring systems for real-time tracking and optimisation of power usage

HeiTech's total energy use for 2024 is reported at 8,735.01 MWh (non-renewable), 197.81 MWh (renewable)

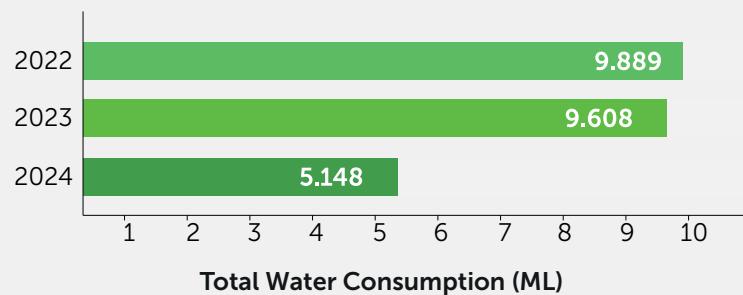
### 9.4 Water and Resource Management

#### 9.4.1 Water Consumption Reduction Strategies

HeiTech actively manages water consumption across its operations. Key initiatives include:

- Water efficiency tracking across all HTV and HTV2 and data centers
- Employee awareness programs to encourage water conservation

Water Consumption Performance (Bursa Malaysia ESG Platform Data):



The HTV2 Data Centre does not use water for cooling purposes. The significant 47% reduction in water consumption from 2022 to 2024 demonstrates HeiTech's commitment to resource conservation.

## SUSTAINABILITY STATEMENT

### 9.5 Environmental Sustainability Opportunities

While environmental risks pose challenges, HeiTech also leverages sustainability as a business opportunity, including:

Opportunity Area	Strategic Business Impact
Sustainable IT Solutions	Offering cloud-based digital transformation services to help clients reduce their environmental footprint.
ESG-Driven Market Positioning	Enhancing HeiTech's reputation as a sustainable technology leader to attract ESG-focused investors and clients.

### 9.6 Future Commitments and ESG Roadmap

To strengthen its environmental risk management and sustainability leadership, HeiTech is committed to:

1. Reducing carbon intensity across operations by 30% cumulative by 2030
2. Expanding renewable energy adoption as a business and for offices and data centers
3. Advancing sustainable innovation in cloud computing and AI-driven energy efficiency solutions

HeiTech remains dedicated to environmental risk mitigation and sustainability leadership, ensuring compliance with IFRS S2 and Bursa Malaysia ESG Framework.

## 10. SOCIAL-RELATED RISKS AND OPPORTUNITIES

### 10.1 Overview

This section details material social risks, mitigation strategies, and opportunities that enhance HeiTech's business resilience and stakeholder engagement.

HeiTech Padu Berhad recognises that our long-term success is deeply intertwined with the well-being, diversity, and capability of our people. Social factors—ranging from talent development, health & safety, to equitable leadership and ethical business practices—continue to be key pillars of our sustainability strategy.

HeiTech's approach to social sustainability aligns with:

IFRS S1 (Sustainability-Related Disclosures)	Bursa Malaysia ESG Reporting Framework	Global best practices in workforce development, human rights, and social governance
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This section details material social risks, mitigation strategies, and opportunities that enhance HeiTech's business resilience and stakeholder engagement.

## SUSTAINABILITY STATEMENT

### 10.2 Social Risk Management Approach

HeiTech adopts a risk-based social sustainability strategy, ensuring that social risks are effectively mitigated through strong governance, proactive employee engagement, and community-driven initiatives.

#### Key Social Risk Categories

HeiTech identifies the following **social risks** as material to its operations and stakeholder relationships:

Risk Category	Potential Business Impact	Mitigation Strategy
<b>Human Capital and Workforce Retention</b>	Loss of skilled talent affecting innovation and productivity.	Investing in <b>employee upskilling, leadership development, and career growth initiatives</b> .
<b>Diversity, Equity and Inclusion ("DEI") Risks</b>	Reduced workplace inclusivity leading to talent attrition and reputational risks.	Strengthening <b>DEI policies, increasing female representation, and promoting inclusive workplace culture</b> .
<b>Health and Safety Compliance</b>	Workplace injuries and health risks affecting employee well-being and operational efficiency.	Implementing <b>strict occupational health &amp; safety ("OHS") protocols and mental health programs</b> .
<b>Cybersecurity and Data Privacy Risks</b>	Breaches impacting customer trust and regulatory compliance.	Strengthening <b>cybersecurity training, compliance frameworks, and ISO 27001 certification</b> .
<b>Community Engagement and Social License to Operate</b>	Lack of CSR initiatives affecting public trust and regulatory relations.	Expanding <b>corporate social responsibility ("CSR") programs, education sponsorships, and community-driven projects</b> .

HeiTech integrates these risks into its Enterprise Risk Management ("ERM") framework, ensuring proactive mitigation and stakeholder alignment.

### 10.3 Human Capital & Workforce Development

#### 10.3.1 Employee Retention & Talent Development

In 2024, we recorded a total of **17,461** training hours, averaging **29.94 hours per employee**—a healthy indicator of our continued investment in workforce capability and future-readiness. While we acknowledge this as progress, we are setting our sights higher in 2025, targeting over 20,000 training hours group wide.

Continuous upskilling is critical as we operate in a rapidly evolving digital and regulatory landscape. To improve training effectiveness, we will focus on delivering more role-specific learning, especially in ESG integration, compliance, cybersecurity, and emerging technologies.

#### 10.3.2 Workforce Composition and Diversity

As at 31 December 2024, HeiTech's total workforce stood at 962 employees, representing a diverse cross-section of professional disciplines and backgrounds. Women made up 39.40% of our overall workforce—nearing our 2025 target of 40%. However, representation at the leadership level remains a critical challenge, with female leadership representation at just 3.01%, significantly below our 5% interim target for 2025.

## SUSTAINABILITY STATEMENT

We view this as both a social risk and opportunity. Low representation in leadership may limit the diversity of perspectives in decision-making processes, yet it also signals a clear pathway for structured improvement. In response, we have rolled out several targeted DEI initiatives, including:

- An inclusive hiring framework aimed at ensuring at least 50% diverse candidate pools for all mid-to-senior level hires
- The introduction of unconscious bias and inclusive leadership training for 100% of management by the end of 2025
- Quarterly DEI impact reporting to both the Board and the Sustainability Working Group to strengthen accountability

### 10.3.3 Employee Engagement

A vibrant, engaged workforce is fundamental to operational excellence. In 2024, HeiTech spent RM240,947 on 12 employee engagement activities, directly benefiting 2,610 internal participants. Activities included hybrid townhalls, cultural celebrations, and wellness initiatives.

As we transition into a more hybrid workforce model, our engagement strategy will evolve to focus on personalised experiences, digital engagement platforms, and wellness support systems—ensuring connectivity and culture remain intact across all formats.

Further, we aim to enhance employee engagement and retention by strengthening mental wellness support systems and introducing flexible/hybrid work guidelines, creating a more adaptable and inclusive work environment.



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### 10.4 Diversity, Equity & Inclusion (DEI) Strategy

HeiTech is committed to fostering a diverse and inclusive workplace, ensuring equal opportunities for all employees.

#### 10.4.1 DEI Policies & Workplace Inclusion Programs

As part of HeiTech's ongoing commitment to workplace diversity, equity, and inclusion ("DEI"), the company recognises the growing importance of gender diversity, inclusive hiring practices, and employee engagement initiatives in fostering an equitable work environment. While structured programs such as Gender Diversity & Equal Pay Initiatives, Inclusive Hiring Policies, and Employee Resource Groups ("ERGs") are not yet formalised, HeiTech is currently evaluating their integration into its human capital development strategy.

Moving forward, HeiTech will explore:

Gender Diversity and Equal Pay Assessments – Conducting an internal review of existing compensation and promotion frameworks to ensure alignment with industry best practices and fair pay principles

Inclusive Hiring Policies – Assessing recruitment processes to enhance access to diverse talent pools and promote equitable career progression

Employee Engagement and Representation – Exploring structured mechanisms to support leadership development among underrepresented groups, fostering an inclusive workplace culture

HeiTech remains committed to enhancing its DEI framework in alignment with evolving stakeholder expectations and regulatory developments. The company will continue to benchmark against leading corporate practices and identify actionable pathways to strengthen workforce inclusivity and equitable talent development.

### 10.5 Occupational Health & Safety (OHS) Compliance

Ensuring employee safety remains a non-negotiable priority. In 2024, our Lost Time Injury Rate ("LTIR") improved to 0.21, down from 0.31 in 2023 and 1.67 in 2022—a reflection of stronger safety governance, proactive risk mitigation, and continuous improvement in workplace safety practices.

We are pleased to report that no fatalities occurred in 2024, underscoring the effectiveness of our safety protocols and incident prevention measures. While this marks a positive outcome, we remain vigilant and committed to maintaining a zero-fatality track record across all operations.

One area that requires immediate attention is the significant reduction in safety training sessions, which dropped from 30 sessions annually in previous years to just 9 in 2024. This decline presents a risk to ongoing safety awareness and workforce preparedness. In 2025, we will address this gap through a renewed focus on mandatory safety training, including onboarding modules for new hires and refresher courses for operational teams.

Our forward target is to maintain LTIR below 0.20 and ensure zero workplace fatalities, while continuously strengthening our culture of safety and accountability.

### 10.6 Cybersecurity and Data Privacy Risks

As a technology-driven company, HeiTech prioritises strong cybersecurity governance to protect customer and employee data. These governance include data protection and cybersecurity compliance as follows:

## SUSTAINABILITY STATEMENT

**ISO 27001 Information Security Management System ("ISMS") Certification**

**Annual Cybersecurity Awareness Training for Employees**

**Zero Data Breaches Commitment and Incident Response Planning**

Between 2022 and 2024, HeiTech recorded zero data breach complaints—a testament to our robust IT governance, access control systems, and continuous user awareness. However, with growing regulatory scrutiny and AI-based threats, we are reinforcing our internal training and auditing mechanisms to ensure zero breaches remain the standard, not an exception.

### 10.7 Community Investment

HeiTech actively contributes to community development through strategic CSR programs, supporting education, digital literacy, and social equity initiatives.

We invested RM52,750 in community outreach initiatives across 13 external beneficiaries in 2024. Our programmes ranged from educational empowerment and digital literacy workshops to targeted contributions supporting vulnerable communities.

We recognise the opportunity to make our community investments more strategic and impact-driven. In 2025, we will explore social impact measurement tools and partner with like-minded organisations to scale and systematise outreach efforts.

### 10.8 Future Commitments and ESG Social Impact Roadmap

To strengthen its **social sustainability leadership**, HeiTech is committed to:

1. Enhancing employee well-being programs, mental health support, and flexible work policies
2. Expanding community engagement and CSR investments in digital literacy initiatives
3. Strengthening cybersecurity governance to maintain a zero-data breach record

HeiTech remains dedicated to social sustainability, workforce well-being, and digital inclusion, ensuring compliance with IFRS S1 and the Bursa Malaysia ESG Framework.

## 11. GOVERNANCE-RELATED RISKS AND OPPORTUNITIES

### 11.1 Overview

HeiTech Padu Berhad is committed to strong governance, risk management, and ethical business practices to ensure long-term sustainability, regulatory compliance, and stakeholder trust. The governance framework is aligned with:

**IFRS S1 (General Requirements for Sustainability-Related Disclosures)**

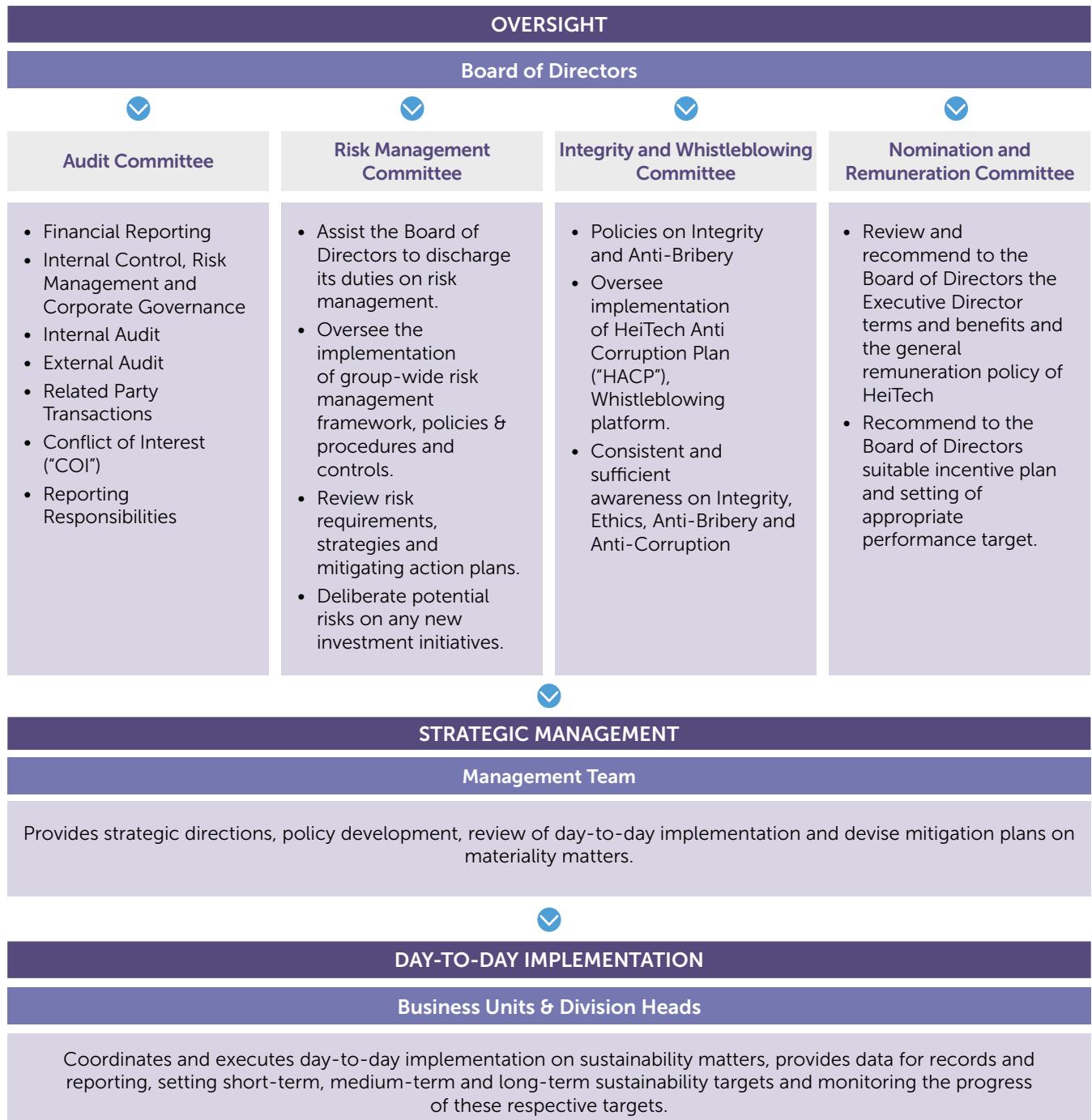
**Bursa Malaysia ESG Reporting Framework**

**Best practices in corporate governance, risk management, and anti-corruption measures**

This section outlines material governance risks, mitigation strategies, and emerging opportunities, reinforcing HeiTech's commitment to responsible leadership and regulatory compliance.

## SUSTAINABILITY STATEMENT

### 11.2 Governance Structure



In 2025, the Sustainability Working Group ("SWG") is planned and scheduled to operate in collaboration with the Risk Working Group under the purview of the Risk Management Committee, reinforcing the integration of ESG considerations into the company's overall risk governance framework.

## SUSTAINABILITY STATEMENT

### 11.3 Governance Risk Management Approach

HeiTech integrates governance risks into its Enterprise Risk Management ("ERM") framework, ensuring transparency, accountability, and financial resilience.

#### Key Governance Risk Categories

HeiTech identifies the following governance risks as material to its operations and stakeholder relationships:

Risk Category	Potential Business Impact	Mitigation Strategy
<b>Regulatory Non-Compliance</b>	Legal and financial penalties due to failure in adhering to ESG and financial reporting regulations.	Strengthening governance policies, risk compliance audits, and IFRS-aligned sustainability reporting.
<b>Cybersecurity and Data Privacy</b>	Cyberattacks and data breaches affecting customer trust and financial losses.	Implementing ISO 27001 certification, cybersecurity monitoring, and employee training.
<b>Corruption and Ethical Governance</b>	Reputational and legal risks due to unethical business practices.	Strengthening anti-bribery policies, whistleblowing mechanisms, and supplier due diligence.
<b>Board and Leadership Effectiveness</b>	Weak governance oversight affecting strategic decision-making.	Enhancing Board sustainability competency, ESG-linked executive incentives, and governance training.

HeiTech ensures that these governance risks are proactively managed through policy frameworks, Board oversight, and risk mitigation strategies.

### 11.4 Regulatory Compliance & ESG Governance

#### 11.4.1 Compliance with Bursa Malaysia & IFRS Reporting Standards

HeiTech complies with Bursa Malaysia's Sustainability Reporting Guidelines and IFRS S1/S2 requirements, ensuring:

- Transparent ESG risk disclosures in financial and sustainability reporting
- Alignment of ESG metrics with business strategy and investor expectations
- Integration of climate-related financial risks into governance frameworks

## SUSTAINABILITY STATEMENT

### 11.4.2 Governance Policies and Ethical Leadership Framework

HeiTech enforces a robust governance framework, ensuring ethical leadership and integrity across all operations:

Policy Area	Governance Framework
Anti-Bribery and Corruption	Compliance with Malaysian Anti-Corruption Commission ("MACC") Act and Anti-Bribery Management System ("ABMS").
Whistleblowing and Ethics	Secure and anonymous whistleblower reporting channels.
Cybersecurity and Data Governance	Adherence to ISO 27001 Information Security Management System ("ISMS").
Sustainability and ESG Governance	ESG oversight by the Risk Management Committee.

HeiTech maintains a zero-tolerance policy for corruption and ensures governance transparency through regular audits and compliance reporting.

### 11.5 Board Oversight and Leadership Accountability

HeiTech's Board of Directors plays a critical role in ensuring governance effectiveness, ESG integration, and risk oversight.

#### 11.5.1 Board and Governance Committees

Committee	Key Responsibilities
<b>Board of Directors</b>	Overall ESG governance, risk management, and sustainability performance.
<b>Audit and Risk Committee</b>	Ensures compliance with <b>financial and ESG reporting regulations</b> .
<b>Nomination and Remuneration Committee</b>	Aligns <b>executive compensation with sustainability and governance performance</b> .

#### 11.5.2 Governance-Linked Executive Performance Metrics

HeiTech links executive compensation to ESG and governance performance, ensuring leadership accountability in areas such as:



## 11.6 Cybersecurity & Digital Governance

As a technology-driven company, HeiTech ensures robust cybersecurity governance to protect stakeholder data and digital infrastructure.

### 11.6.1 Cybersecurity Risk Management Framework

HeiTech has adopted a **proactive cybersecurity governance strategy**, including:

<b>ISO 27001 Certification</b> Ensuring internationally recognised cybersecurity compliance.	<b>Regular Penetration Testing &amp; Risk Audits</b> Identifying and mitigating digital threats.	<b>Cybersecurity Awareness Training</b> Educating employees on data privacy best practices.
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### 11.6.2 Data Protection & Regulatory Compliance

HeiTech ensures **compliance with data governance regulations**, including:

- Malaysia's Personal Data Protection Act ("PDPA")
- Bursa Malaysia's ESG disclosure requirements on data security
- EU General Data Protection Regulation ("GDPR") for international operations

## 11.7 Ethical Business Conduct and Anti-Corruption Measures

HeiTech is committed to maintaining the highest ethical standards across all business operations.

### 11.7.1 Anti-Bribery and Corruption Compliance

- Adherence to Bursa Malaysia's Anti-Corruption Reporting Requirements
- Whistleblower Protection Programme to ensure secure reporting of unethical behaviour
- Annual Anti-Bribery and Corruption Training for Employees & Suppliers

### 11.7.2 Supply Chain Governance & ESG Compliance

HeiTech recognises the critical role that supply chain sustainability and responsible sourcing play in ensuring long-term business resilience and regulatory compliance. While the company has yet to implement formal ESG risk assessments for key suppliers, third-party sustainability audits, or ESG-linked contractual requirements, these areas have been identified as strategic priorities for future evaluation and integration.

Moving forward, HeiTech will explore:

<b>Assessing ESG Risks in the Supply Chain</b>	Reviewing existing supplier engagement processes to identify sustainability risks, governance concerns, and ethical sourcing challenges.
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## SUSTAINABILITY STATEMENT

<b>Evaluating the Feasibility of Independent Third-Party Audits</b>	Benchmarking industry best practices to determine the most effective mechanisms for verifying supplier compliance with ESG standards.
<b>Embedding ESG Criteria in Procurement Policies</b>	Exploring the potential inclusion of sustainability-linked contractual requirements, ensuring that ethical sourcing principles align with HeiTech's broader corporate responsibility framework.

As ESG-related regulations and stakeholder expectations continue to evolve, HeiTech remains committed to enhancing transparency, accountability, and sustainability governance across its supply chain. The company will continue to assess global best practices, engage with key stakeholders, and refine its procurement approach to support a more resilient and sustainable supply chain.

### 11.8 Governance-Linked Opportunities for Business Growth

While governance risks require strong mitigation measures, HeiTech also leverages sustainable governance as a business growth opportunity:

Opportunity Area	Strategic Business Impact
ESG-Linked Financing and Green Bonds	Access to sustainability-driven investment and financing options.
Technology-Driven Governance (AI and Blockchain in Compliance)	Enhancing real-time risk monitoring and compliance automation.
Reputation as a Trusted Technology Partner	Strengthening market positioning and client confidence.
Digital Governance and AI Ethics Leadership	Competitive edge in cybersecurity and AI-driven business solutions.

### 11.9 Future Commitments and Governance Roadmap

To strengthen governance effectiveness, HeiTech is committed to:

1. Enhancing Board ESG competency through sustainability leadership training
2. Expanding AI-driven compliance monitoring for real-time ESG risk tracking
3. Strengthening governance transparency through enhanced ESG-linked executive performance incentives
4. Increasing whistleblower protection awareness and supplier ESG compliance integration

HeiTech remains dedicated to best-in-class governance practices, ensuring compliance with IFRS and the Bursa Malaysia ESG Framework.

## SUSTAINABILITY STATEMENT

### 12. EVENTS AFTER REPORTING PERIOD

#### 12.1 Overview

This section highlights material events occurring after the reporting date that may influence HeiTech Padu Berhad's financial position, operational strategy, and long-term sustainability outlook. These disclosures are aligned with:

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures
- Bursa Malaysia ESG Reporting Framework
- Internal frameworks for governance, risk management, and ESG integration

Post-reporting events are categorised as:

- Adjusting Events – Events that provide further evidence of conditions that existed at the end of the reporting period
- Non-Adjusting Events – Events that arose after the reporting period but may significantly influence future planning and require disclosure

#### 12.2 Key Events After Reporting Period

##### 12.2.1 Regulatory and Compliance Developments

Bursa Malaysia Enhanced ESG Framework	Adoption of IFRS S1 & S2	Incentives for Green Innovation
<p>Bursa Malaysia Enhanced ESG Framework Bursa Malaysia's updated sustainability reporting guidelines require enhanced disclosures across Scope 1, 2, and 3 emissions, board diversity, social impact, and supply chain due diligence. This development will influence HeiTech's 2025 Sustainability Statement, with early alignment efforts already underway</p>	<p>IFRS S1 and S2 implementation has led HeiTech to further strengthen climate scenario analysis, materiality assessments, and integration of sustainability risks into enterprise risk management ("ERM")</p>	<p>New government initiatives promote digital decarbonisation and green technology investments, particularly in data centres and AI infrastructure. HeiTech is currently evaluating participation in selected carbon reduction and energy efficiency programs aligned with our ESG Roadmap</p>

## SUSTAINABILITY STATEMENT

### 12.2.2 Operational and Strategic Developments

- **Launch of ESG-Linked Digital Services**

In Q1 2025, HeiTech planned to introduce an AI-powered ESG performance tracking solution for government and enterprise clients. The tool supports automated disclosure mapping, real-time risk alerts, and regulatory compliance monitoring aligned with Bursa ESG and GRI Standards

- **Expansion of Cloud Sustainability Offerings**

In response to increased demand for sustainable digital infrastructure, HeiTech expanded its portfolio of cloud-native sustainability tools, tailored to help public sector agencies meet their climate reporting and ESG governance mandates

- **Cybersecurity and Data Privacy Enhancements**

Building on our zero-data-breach record (2022–2024), HeiTech has upgraded its cybersecurity controls to meet evolving ISO 27001:2022 requirements and Bursa's Cybersecurity Disclosure Guidance. Internal data governance policies have also been strengthened to reflect PDPA and international compliance standards (e.g., GDPR equivalents)

### 12.3 Impact on Business Strategy and Sustainability Roadmap

These post-reporting developments reinforce HeiTech's commitment to:

1. Aligning with global and local ESG disclosure expectations, including full readiness for IFRS S1/S2 reporting
2. Accelerating the growth of ESG-driven digital services, especially for the public sector and regulated industries
3. Strengthening risk resilience through enhanced cybersecurity, data governance, and ESG-linked risk integration
4. Exploring ESG-linked financing opportunities and green incentives to support future innovation and operational efficiency

HeiTech remains proactive in responding to emerging trends and regulatory shifts, ensuring that its sustainability strategy remains forward-looking, compliant, and value-generating for all stakeholders.

## SUSTAINABILITY STATEMENT

### 13. ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	-	18.00	66.97
Executive	Percentage	-	15.00	64.00
Non-executive	Percentage	-	6.00	64.29
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	104,000.00	52,750.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	15	13
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	-	0.00	0.00
Management Between 30-39	Percentage	-	4.60	0.83
Management Between 40-49	Percentage	-	32.18	3.95
Management Between 50-59	Percentage	-	58.62	6.24
Management 60 and Above	Percentage	-	4.60	0.31
Executive Under 30	Percentage	-	27.66	23.60
Executive Between 30-39	Percentage	-	33.90	28.90
Executive Between 40-49	Percentage	-	24.36	19.54
Executive Between 50-59	Percentage	-	13.34	12.06
Executive 60 and Above	Percentage	-	0.73	0.21
Non-executive Under 30	Percentage	-	15.09	0.42
Non-executive Between 30-39	Percentage	-	41.51	1.66
Non-executive Between 40-49	Percentage	-	30.19	1.46
Non-executive Between 50-59	Percentage	-	11.32	0.62

## SUSTAINABILITY STATEMENT

### 13 ESG Reporting Platform (cont'd)

Non-executive 60 and Above	Percentage	-	1.89	0.21
<b>Gender Group by Employee Category</b>				
Management Male	Percentage	-	75.00	8.32
Management Female	Percentage	-	25.00	3.01
Executive Male	Percentage	-	61.00	48.44
Executive Female	Percentage	-	39.00	35.86
Non-executive Male	Percentage	-	91.00	3.85
Non-executive Female	Percentage	-	9.00	0.52
<b>Bursa C3(b) Percentage of directors by gender and age group</b>				
Male	Percentage	-	87.50	80.00
Female	Percentage	-	12.50	20.00
Between 60 - 69	Percentage	-	37.50	40.00
Above 70	Percentage	-	62.50	40.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	-	9,061.33	8,735.01
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	-	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.31	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	30	9
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category	Hours	-	1,177	1,313
Management	Hours	-	24,099	15,332
Executive	Hours	-	152	816
Non-executive	Hours	-	1.54	2.34
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	10	11
Bursa C6(c) Total number of employee turnover by employee category	Number	-	169	128
Management	Number	-	9	9
Executive	Number	-	0	0
Non-executive/Technical Staff	Number	-	48.00	97.41
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	48.00	97.41

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT

### 13 ESG Reporting Platform (cont'd)

Bursa C5(a) Number of work-related fatalities	Number	-	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.31	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	30	9
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	-	1,177	1,313
Executive	Hours	-	24,099	15,332
Non-executive	Hours	-	152	816
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	1.54	2.34
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	10	11
Executive	Number	-	169	128
Non-executive/Technical Staff	Number	-	9	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	48.00	97.41
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	-	9.608000	5.148000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	0.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	1.45
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	-	6,760.90
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	2,120.65



## INDEPENDENT ASSURANCE OPINION STATEMENT

### HeiTech Padu Berhad - Sustainability Statement 2024

To the Board of Directors of HeiTech Padu Berhad ("HeiTech"):

RC Compliance Sdn. Bhd. ("RC Compliance") has been engaged by HeiTech to conduct a limited Type 1 Moderate Level assurance engagement on the sustainability information in the Sustainability Statement, specifically the Bursa Malaysia ESG Reporting Platform performance data of 2024 included in Section 13 of the Sustainability Statement of HeiTech ("Sustainability Statement"), which covers the reporting period 1 January 2024 to 31 December 2024. Our assurance engagement does not extend to information relating to earlier periods or to any other information included in the Sustainability Statement.

#### Scope and Subject Matter

The scope of engagement agreed with HeiTech includes the following:

- i) The **scope** and boundary of the assurance engagement covers part of the Sustainability Statement with a focus on Malaysia operations for the year ended 31 December 2024, specifically information related to the **subject matter**.

The **subject matter** was limited to information and data related to the following common or voluntary sustainability matters and indicators disclosed in the Sustainability Statement:

No	Common Sustainability Matters	Common Indicators
1	Anti-Corruption	(a) Percentage of employees who have received training on anti-corruption by employee category (b) Percentage of operations assessed for corruption-related risks (c) Confirmed incidents of corruption and actions taken
2	Community/Society	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer (b) Total number of beneficiaries of the investment in communities
3	Diversity	(a) Percentage of employees by gender and age group, for each employee category (b) Percentage of Directors by gender and age group
4	Energy management	(a) Total energy consumption
5	Health and Safety	(a) Number of work-related fatalities (b) Lost time incident rate (c) Number of employees trained in health and safety standards
6	Labour practices and standards	(a) Total hours of training by employee category (b) Percentage of employees that are contractors or temporary staff (c) Total number of employee turnover by employee category (d) Number of substantiated complaints concerning human rights violations



7	Supply chain management	(a) Proportion of spending on local supplier
8	Data privacy and security	(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
9	Water	(a) Total volume of water used
10	Emissions Management	(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e (b) Scope 2 emissions in tonnes of CO <sub>2</sub> e (c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (for the categories of business travel and employee commuting)

(ii) Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 ("AA1000AS v3") evaluates the nature and extent of HeiTech adherence to four principles: Inclusivity, Materiality, Responsiveness, Impact.

### Criteria

The reporting criteria of the **subject matter** is Bursa Malaysia Main Market Listing Requirements' ("MMLR") sustainability reporting framework in respect to disclosure of common material sustainability matters and corresponding common indicators, more specifically described in Annexure PN9A-A in Practice Note 9A of the MMLR, and Sustainability Reporting Guide 3<sup>rd</sup> Edition 2022.

### Opinion Statement

We conclude that, nothing has come to our attention that the sustainability subject matter disclosed in the Sustainability Statement, specifically performance data in the Bursa Malaysia ESG Reporting Platform in Section 13 of the Sustainability Statement, is not fairly presented, in all material respects, in accordance with the reporting criteria.

We carried out the assurance engagement in accordance with the AA1000 Assurance Standard v3, AA1000AS v3. We planned and performed our work to obtain the necessary information, explanation and supporting evidence in relation to the subject matter.

### Methodology

- Discussion and interviews with management team involved in sustainability management, report preparation and provision of report information;
- Document review of relevant systems, policies, and procedures where available;
- Review of supporting evidence, on sample basis, for claims made in the Sustainability Statement in relation to the subject matter;
- Assessed management reporting processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles 2018 Standard ("AA1000AP (2018)");
- Review at HeiTech corporate office to confirm the data collection processes, record management and practices in relation to the subject matter;
- Considered the disclosure and presentation of the subject matter.

### Conclusions – AA1000 Principles

Our review against AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact is set out below:

#### Inclusivity

HeiTech engages with all key stakeholder groups on an on-going basis through various channels and methods. In our professional opinion, HeiTech adheres to the principle of Inclusivity. Areas for enhancement of the Sustainability Statement were adopted by HeiTech before the issuance of this opinion statement.



## **Materiality**

HeiTech identifies material sustainability matters through materiality assessment and analysis, and demonstrating material issues in a matrix form. In our professional opinion, the HeiTech adheres to the principle of Materiality. Areas for enhancement of the Sustainability Statement were adopted by HeiTech before the issuance of this opinion statement.

## **Responsiveness**

HeiTech has implemented practices that respond to material sustainability matters and affected stakeholder groups through various channels. In our professional opinion, HeiTech adheres to the principle of Responsiveness. Areas for enhancement of the Sustainability Statement were adopted by HeiTech before the issuance of this opinion statement.

## **Impact**

HeiTech's material sustainability matters are integrated into HeiTech's value creation strategies. We recommend that HeiTech should continue to explore opportunities to measure and evaluate sustainability impacts of its products and services in respect of stakeholders through a defined sustainability roadmap. In addition, we recommend that HeiTech's sustainability governance framework is further strengthened by implementing well-defined reporting structures, roles and tasks.

## **Assurance Level**

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this opinion statement.

## **Responsibility and Limitations**

HeiTech is responsible to ensure that the information being presented in the Sustainability Statement, is accurate and fairly presented. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Sustainability Statement and measurement of subject matter, which is free from material misstatement, whether due to fraud or error. The sustainability assurance is limited by information presented by HeiTech.

Our responsibility is for providing an independent assurance opinion statement to stakeholders of HeiTech, giving our professional opinion based on the scope and methodology described. In providing our opinion statement, we shall not accept or assume responsibility, legal or otherwise, or accept liability for or in connection with any other purpose for which it may be used, or towards any person by whom the independent assurance conclusion, or opinion statement, may be read. The Independent Assurance Opinion Statement is intended for the stakeholders of HeiTech.

## **Independence and Competency**

RC Compliance is independent of HeiTech and has no financial interest in the operations of HeiTech other than for the assurance engagement.

We have complied with the independence requirements and acted in accordance with the Code of Practice of AA1000AS v3, as mandated for AA1000 assurance providers and certified sustainability assurance practitioners. We are committed to excellence in providing impartial and competent assurance services covering the relevant requirements.



 AA1000 Licensed Report 000-847/V3-K78UX	
<b>Name</b>	Reinushini Chandrasegaram
<b>Designation</b>	Managing Director
<b>Date</b>	22 April 2025
<b>Place</b>	Kuala Lumpur, Malaysia



RC Compliance Sdn. Bhd. (202301027325 (1521248-X))

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