

PROFILE OF DIRECTORS



DATO' SRI MOHD HILMEY BIN MOHD TAIB

Founder and Advisor

Non-Independent Non-Executive Director



**SANDRARUBEN
NEELAMAGHAM**

Executive Director



**DATUK MOHD RADZIF
BIN MOHD YUNUS**

Independent

Non-Executive Director

PROFILE OF
DIRECTORS



**SULAIMAN HEW
BIN ABDULLAH**
*Independent
Non-Executive Director*



**WANAINOL ZILAN
BINTI ABDUL RAHIM**
*Independent
Non-Executive Director*



HAMZAH BIN MAHMOOD
*Independent
Non-Executive Director*



RAZALEE BIN AMIN
*Independent
Non-Executive Director*



CHONG SEEP HON
*Independent
Non-Executive Director*



**DATUK MOHD JIMMY WONG
BIN ABDULLAH**
*Non-Independent
Non-Executive Director*

PROFILE OF DIRECTORS

DATO' SRI MOHD HILMEY BIN MOHD TAIB

Founder and Advisor

Non-Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	71	M	5 th August 1994

QUALIFICATIONS

- Bachelor of Economics (Hons) in Accounting, University of Malaya, Malaysia
- Master in Business Administration, Cranfield Institute of Technology, United Kingdom
- Master of Science in Management & Strategic Entrepreneurship, Nottingham Trent University, United Kingdom
- PhD (Hons) in Information Technology, Universiti Malaysia Pahang, Malaysia
- Member of Malaysian Institute of Accountants ("MIA")
- Chartered Accountant (Malaysia)

EXPERIENCES

Prior to joining HeiTech, Dato' Sri Mohd Hilmey helmed several leadership positions in Permodalan Nasional Berhad ("PNB"). In 1995 to 1997, he held his last position in PNB as the Group Chief Executive. Throughout his career, Dato' Sri Mohd Hilmey has also held several directorships in public listed companies such as Malayan Banking Berhad, Kuala Lumpur Kepong Berhad, KFC Holdings (M) Berhad, Maxis Communications Berhad, Pasdec Holdings Berhad and several other private companies of various industries prior to focusing on HeiTech Group.

Dato' Sri Mohd Hilmey was the Chairman of the Board of Directors of Universiti Malaysia Pahang ("UMP") for 11 years from 2006 until 2017. He was the instrumental figure in transforming it from a college university status into one of the top local university, specialising in engineering and technology courses. He is also the Chairman of HeiTech Eco Energy Sdn Bhd, Motordata Research Consortium Sdn Bhd, and several other companies within HeiTech Group.

Dato' Sri Mohd Hilmey was appointed as President/Executive Deputy Chairman of HeiTech Padu Berhad with effect from 1st January 2019. However, he later resigned from the position of President on 2nd October 2023, while continuing to serve as the Executive Deputy Chairman. Effective 1st March 2025, he was redesignated from Executive Deputy Chairman to Non-Independent Non-Executive Director / Founder and Advisor.

MEMBERSHIP OF BOARD COMMITTEES

None

SANDRARUBEN NEELAMAGHAM

Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	38	M	3 rd April 2024

QUALIFICATIONS

- Diploma in International Commercial Arbitration, The Chartered Institute of Arbitrators (CIArb)
- Bachelor of Laws (LL.B) (Hons), Universiti Kebangsaan Malaysia
- Fellow of The Chartered Institute of Arbitrators

EXPERIENCES

Sandraruben Neelamaghram read law at Universiti Kebangsaan Malaysia ("UKM") and was admitted as an advocate and solicitor of the High Court of Malaya in 2011. Additionally, he was also awarded a Diploma in International Commercial Arbitration by The Chartered Institute of Arbitrators on 14th October 2018.

He was the Managing Partner and heads the Corporate Department of Messrs Ahmad Deniel, Ruben & Co., a legal practice which he established in 2012 which has now developed into a mid-sized law firm in Malaysia. Currently, he acts as the Visiting Consultant in the firm. He is well versed in a variety of legal practice which include Commercial Litigation, Corporate & Commercial Drafting, Trust & Will, Intellectual Property and Construction Law.

He is also a Fellow with The Chartered Institute of Arbitrators (CIArb) and a Member of The Malaysian Institute of Arbitrators (MIArb). Additionally, he is also a registered Trademark Agent with the Intellectual Property Corporation of Malaysia (MyIPO) and a Certified Company Secretary in Malaysia. Along with his corporate advisory work for a number of public listed companies as well as international companies, he has appeared in all tiers of the Malaysia Courts, representing clients in various commercial and civil disputes ranging from tortious liabilities, shareholder disputes and corporate restructuring proceedings.

Sandraruben Neelamaghram further holds the position as a Director in Selcare Pharmacy Sdn Bhd, a subsidiary of SELGATE Corporation Sdn Bhd, which manages and supplies pharmaceutical products to the network of Selcare Clinic, corporate clients and customers.

He also acts as a Director of Motordata Research Consortium Sdn Bhd and Inter-city MPC (M) Sdn Bhd, the subsidiaries of HeiTech Padu Berhad.

MEMBERSHIP OF BOARD COMMITTEES

None

PROFILE OF DIRECTORS

DATUK MOHD RADZIF BIN MOHD YUNUS

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	66	M	21 st September 2018

QUALIFICATIONS

- Diploma in Land Survey, University Technology Malaysia
- Bachelors in Applied Science Property Resource Management with Finance, University of South Australia
- Registered Valuer, Real Estate and Property Management Professional, Board of Valuers Malaysia
- Certified Risk Director by Institute Enterprise Risk Management
- Fellow, Institute of Corporate Directors Malaysia ("ICDM")

EXPERIENCES

Datuk Mohd Radzif started his career as a lecturer in Universiti Teknologi Malaysia ("UTM") in 1983. He then joined Perwira Affin Bank in 1985 and served in various management roles from Manager to Assistant General Manager. Datuk Mohd Radzif was also previously Chief Executive Officer ("CEO") of TH Properties Sdn Bhd, TH NSTC Sdn Bhd and Shapadu Properties Sdn Bhd between 1988 to 2003. In 2003, he was appointed as the Chief Executive Officer of Institut Jantung Negara Sdn Bhd ("IJN") and as the Group Managing Director of IJN Holdings Sdn Bhd.

Datuk Mohd Radzif left IJN to join SME Development Bank as Managing Director before retiring from his last position as Group Managing Director of SME Bank in 2017. His diversified experiences came from his involvement in different industries such as construction, real estate development, project management, highway concession, healthcare, development banking and entrepreneur development.

Datuk Mohd Radzif was the Chairman of Association of Development Finance Institutions of Malaysia ("ADFIM") and Vice Chairman of Association of National Development Finance Institutions in Member Countries of The Islamic Development Bank ("ADFIMI"). He was accorded the Outstanding CEO Award in 2015 by the Association of Development Financial Institution Asia Pacific and in November 2023, he received an Honorary Doctorate in Management from Infrastructure University Kuala Lumpur ("IUKL").

He currently sits on the board of Duopharma Biotech Berhad, Amanah Raya Berhad, UM Holdings Sdn Bhd, Yayasan Pembangunan Ekonomi Islam Malaysia, Perbadanan Kampung Baru, and Amanah Raya Kenedix Sdn Bhd.

MEMBERSHIP OF BOARD COMMITTEES

Risk Management Committee | **Chairman**
 Nomination & Remuneration Committee | **Member**
 Employee Share Option Scheme ("ESOS") Committee | **Member**

SULAIMAN HEW BIN ABDULLAH

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	74	M	30 th July 2013

QUALIFICATION

- Barrister-at-Law of the Honourable Society of Lincoln's Inn, London

EXPERIENCES

Sulaiman Hew was called to the Bar in 1975 and commenced practice in the same year. He is currently the Managing Partner and also the Founder Partner of Hamzah, Sulaiman & Partners. Prior to joining HeiTech, he served as an Independent Director on the board of several public listed companies.

MEMBERSHIP OF BOARD COMMITTEES

Nomination & Remuneration Committee | **Chairman**
 Risk Management Committee | **Member**

PROFILE OF DIRECTORS

WAN AINOL ZILAN

BINTI ABDUL RAHIM

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	70	F	6 th August 2013

QUALIFICATIONS

- Bachelor of Accounting (Hons), University of Malaya, Malaysia
- Master of Commerce, University of New South Wales, Australia
- Diploma in Islamic Studies, International Islamic University Malaysia
- Member of Malaysian Institute of Accountants ("MIA")

EXPERIENCES

Wan Ainol Zilan joined Permodalan Nasional Berhad as a System Accountant and her last position was as the Head of Finance and Administration. She then joined Cycle & Carriage Group of Companies as the Group Internal Auditor covering four listed companies in Malaysia and Singapore and its subsidiaries. Prior to joining PNB, she was with Price Waterhouse (now known as PriceWaterhouseCoopers- PwC).

She is a life member of Pertubuhan Perkumpulan Perempuan Negeri Perlis (commonly known as W.I-Perlis).

She is a Director of HeiTech Eco Energy Sdn Bhd, a subsidiary of HeiTech Padu Berhad.

MEMBERSHIP OF BOARD COMMITTEES

Audit Committee | **Chairman**

Employee Share Option Scheme ("ESOS") Committee | **Member**

HAMZAH BIN MAHMOOD

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	62	M	12 th March 2021

QUALIFICATIONS

- Bachelor of Science (Mathematics), Illinois State University, USA
- Master in Business Administration (Finance), North Texas State University, USA

EXPERIENCES

Hamzah started his career in banking with HSBC Malaysia and joined HSBC London from 1988 to 1989. He was seconded to Saudi British Bank (a subsidiary of HSBC Bank) in Riyadh until 1994 when he returned to HSBC Group, London.

He was appointed as Chief Executive Officer of Maybank Securities Sdn Bhd and Head of the Securities Group in 2001. He then joined Halifax Capital Berhad as Executive Director from 2005 until 2008. He has a vast experience in the financial sector, including in the fields of treasury, trading and securities.

Hamzah was the Commissioner of PT Mitra Keluarga Karyasehat Tbk. from May 2016 to June 2018 and as an advisor from June 2018 to present. He is currently the Principal and Managing Director of Dynamic Capital Holdings Sdn Bhd and sits on the Board of Sarawak Cable Berhad as an Independent Non-Executive Director.

MEMBERSHIP OF BOARD COMMITTEES

Employee Share Option Scheme ("ESOS") Committee | **Chairman**

Audit Committee | **Member**

PROFILE OF DIRECTORS

RAZALEE BIN AMIN

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	71	M	1 st January 2022

QUALIFICATIONS

- Bachelor of Economics (Hons) in Accounting, University of Malaya, Malaysia
- Postgraduate Diploma in Accounting, University of Malaya, Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Public Accountant, Malaysian Institute of Certified Public Accountants
- Certified Financial Planner, Financial Planning Association of Malaysia

EXPERIENCES

Razalee is a licenced auditor and an approved liquidator, who has more than 47 years of experience in various management positions and directorships in public listed companies with areas of expertise in audit, corporate recovery, finance, banking and investment acquisition.

He started his career at Messrs. Hanafiah Raslan & Mohamad, a Chartered Accountant firm. In 1983, he joined Sateras Resources (Malaysia) Berhad as a Group Financial Controller before being appointed as the Senior Vice President of the Investment and Acquisition Division at MBF Finance Berhad in 1987. He subsequently served Damansara Realty Berhad as Senior General Manager from 1994 until 1996, when he set up his own Chartered Accountants firm, Razalee & Co., where he is presently the Managing Partner.

MEMBERSHIP OF BOARD COMMITTEES

Integrity & Whistleblowing Board Committee | **Chairman**
Audit Committee | **Member**

CHONG SEEP HON

Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	62	M	1 st January 2022

QUALIFICATION

- Bachelor of Electrical Engineering (Major in Computer Science, Systems & Controls), University of New South Wales, Australia

EXPERIENCES

Chong started his career as Services Engineer at IBM in 1988. Throughout his career, he held various positions in IBM involving both technical, sales and management. He also assumed Senior Leadership positions and was involved in making strategic decisions for clients and the company.

Chong has thirty-three (33) years of experience in the IT industry and has vast experience in Artificial Intelligence ("AI") and Big Data. He is currently the Consultant for AI & Big Data company located in Malaysia where he provides advisory and consultancy to company based on a need basis.

MEMBERSHIP OF BOARD COMMITTEES

Risk Management Committee | **Member**
Integrity & Whistleblowing Board Committee | **Member**

PROFILE OF DIRECTORS

DATUK MOHD JIMMY WONG

BIN ABDULLAH

Non-Independent Non-Executive Director

Nationality	Age	Gender	Date appointed to the Board:
	62	M	3 rd April 2024

QUALIFICATION

- Diploma in Business Studies, Jinan University Guangzhou China

EXPERIENCES

Datuk Mohd Jimmy Wong Bin Abdullah, a Malaysian aged 63, completed his secondary education in 1981. Subsequently in 1996, he completed his Diploma in Business Studies from Jinan University, Guangzhou, China.

He began his career with the Royal Malaysian Police starting off as a new recruit. In 1994, he was stationed on a 2-year Diplomatic Mission in Wisma Putra in Guangzhou, China until 1996. During his service with the Royal Malaysian Police, he was promoted several times and had risen from the ranks before retiring in 2002.

In 2006, he joined MY E.G. Services Berhad ("MyEG") as its Independent Non-Executive Director before he was redesignated to Non-Independent Non-Executive Director in 2021. Currently, Datuk Mohd Jimmy Wong is a member of the Audit Committee as well as the Nomination Committee of MyEG.

Apart from MyEG, he does not hold any directorships in any other public or public listed company.

MEMBERSHIP OF BOARD COMMITTEES

Integrity & Whistleblowing Board Committee | **Member**
Nomination & Remuneration Committee | **Member**

PROFILE OF COMPANY SECRETARY



ZAINAL AMIR BIN AHMAD

Nationality	Age	Gender
	34	M

QUALIFICATIONS

- Bachelor of Corporate Administration, MARA University of Technology
- Licensed Company Secretary by Companies Commission of Malaysia

EXPERIENCES

Zainal Amir Bin Ahmad was appointed as the Group Company Secretary on 3rd January 2023. He has more than 10 years of experience in corporate secretarial practice and governance matters, having worked in management consulting firms and public listed companies on Bursa Malaysia Securities Berhad. He was previously from Omesti Berhad, where he was given the responsibility of taking over multiple listed companies as part of its shared services. He has working knowledge across a diverse range of industries, including construction, property development, information technology and trading.

PROFILE OF SENIOR MANAGEMENT



PROFILE OF SENIOR MANAGEMENT

1

 71 M

DATO' SRI MOHD HILMEY BIN MOHD TAIB

Founder and Advisor

 Dato' Sri's profile is contained in the "Profile of Directors" section as set out on page 90 of this Annual Report.

Dato' Sri Mohd Hilmey Bin Mohd Taib, the Founder and Advisor of HeiTech Padu Berhad, bringing with him a wealth of experience and deep institutional knowledge that continues to shape the direction of the organisation.

With a distinguished track record in leadership and industry development, he plays a pivotal role in supporting the company's long-term vision and provides strategic guidance and counsel to the Senior Management team as needed.

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 38 M

SANDRARUBEN NEELAMAGHAM

Executive Director

 Sandraruben's profile is contained in the "Profile of Directors" section as set out on page 90 of this Annual Report.

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 49 M

AHMAD NASRUL HAKIM BIN MOHD ZAINI FCPA, C.A (M)

- Group Chief Financial Officer

QUALIFICATIONS:

- Bachelor of Commerce (Accounting), University of New South Wales, Sydney, Australia
- Chartered Accountant, Member of Malaysia Institute of Accountants ("MIA")
- Fellow of CPA Australia ("FCPA")

EXPERIENCES:

Ahmad Nasrul Hakim brings over two decades of financial leadership and strategic expertise. He began his career with Deloitte Malaysia, where he was involved in a broad range of financial assurance, business advisory, and consulting projects for clients across the manufacturing, property, and banking sectors.

He joined HeiTech in 2002 and steadily progressed through key leadership roles. He was appointed Vice President of the Group Finance Services Division in 2008, and subsequently elevated to Chief Financial Officer in 2009. In 2016, he assumed the role of Group Chief Financial Officer, overseeing the Group's financial strategy, planning, and corporate governance.

In addition to his executive responsibilities, Nasrul holds multiple directorships within the HeiTech Group, contributing to the strategic direction and performance of the organisation.

PROFILE OF SENIOR MANAGEMENT

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SUM WAI KEEI, ALLAN

- Chief Risk Officer

QUALIFICATIONS:

- Bachelor of Health Science, University of Sydney
- Master of Business Administration, University of South Australia

EXPERIENCES:

Allan brings over two decades of leadership experience in corporate strategy, risk management and governance, business transformation, and organisational growth. He began his career in the medical technology sector with ResMed Inc., serving as Country Manager for Malaysia. In 2005, he transitioned to the engineering and construction sector with Bintai Kinden Corporation Berhad, where he held senior leadership roles over a 16-year tenure, contributing significantly to the group's growth and diversification efforts.

During his tenure, Allan was involved in both domestic and international operations, handling strategic assignments across regions. His responsibilities spanned commercial management, project execution, and governance. Appointed Group Chief Risk Officer in 2015, he led the development of integrated risk management frameworks aligned with corporate goals and regulatory standards.

Since 2021, Allan has been involved in the startup ecosystem, offering strategic and operational insights to emerging businesses across sectors. His extensive experience and forward-thinking approach to risk and resilience make him a key leader in driving sustainable value for the Group and its stakeholders.

Allan was appointed as Chief Risk Officer in April 2025.

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Ts. WAN ZAILANI BIN WAN ISMAIL

- Chief Infrastructure Officer

QUALIFICATIONS:

- Bachelor of Science (BSc) in Computer Science and Mathematics, University of Wisconsin, Oshkosh, Wisconsin, USA
- Professional Technologist (P.Tech), Malaysian Board of Technologist

EXPERIENCES:

Ts. Wan Zailani brings with him over 30 years of extensive experience in the Information and Communications Technology ("ICT") industry. He began his career in 1989 with the US-based WANG Computers as a Systems Analyst, where he gained valuable technical exposure in enterprise computing environments. In February 1990, he joined Malayan Banking Berhad ("Maybank"), Malaysia's largest local bank, where he served as Head of the Technical Services Unit. In this role, he was responsible for the management and high availability of the Bank's mission-critical IBM System Z mainframe infrastructure.

Ts. Wan Zailani joined HeiTech Padu Berhad in 1999. Throughout his tenure at HeiTech, he has held multiple strategic and operational roles, including Technical Consultant, Project Manager, Product Manager, Head of Product, Sales & Marketing, Head of Managed Operations, and Director of Enterprise Technology Services.

Wan Zailani was appointed as Chief Infrastructure Officer in February 2025.

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Ts. DR. NOR HAZILAWATI BINTI AWANG

- Chief Information Officer

QUALIFICATIONS:

- Bachelor (BSc. Hons) in Computer Studies, Liverpool John Moores University, United Kingdom
- Master of Science (Msc) in Realtime Software Engineering, Universiti Teknologi Malaysia
- Doctor of Philosophy (PhD) in Computer Science, Universiti Teknologi Malaysia
- Professional Technologist (P. Tech), Malaysian Board of Technologist

EXPERIENCES:

Ts. Dr. Nor Hazilawati has been a dedicated contributor to HeiTech Padu Berhad since joining the company in 1997 as an Analyst Programmer. Over the years, she has played an instrumental role in numerous mission-critical and multi-million-ringgit projects, spanning pre-sales, product development, consulting, and research & development.

Beyond her corporate contributions, Ts. Dr. Nor Hazilawati is actively involved in shaping national technology standards and academic advancement. Since 2011, she has served as a Technical Committee member for Software Engineering ("TC/11") under SIRIM Department of Standards Malaysia, contributing her expertise to the development and governance of software engineering standards in Malaysia. She also acts as an university advisor to several public and private universities. In addition, she was also appointed as one of the mentors for Women Technologist Chapter Red Lips Mentoring Program since 2024.

Ts. Dr. Nor Hazilawati was appointed as Chief Information Officer since May 2022.

PROFILE OF SENIOR MANAGEMENT

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SAZMAN REDZA ABU BAKAR

- Chief Systems Officer

QUALIFICATIONS:

- Bachelor of Science (BSc) in Information Systems, California State University, Fresno, California, USA
- Master of Science (Msc) in Information Management System, Universiti Teknologi Mara ("UiTM"), Malaysia

EXPERIENCES:

Sazman brings over 20 years of experience in the Information and Communications Technology ("ICT") industry, with a strong track record in delivering mission-critical systems and enterprise digital solutions. He began his career with HeiTech Padu Berhad in 1999 as an Analyst, quickly becoming an integral part of several high-value and complex projects spanning pre-sales, product development, consulting, and systems implementation.

Throughout his tenure at HeiTech, Sazman has held various key roles including Technical Consultant, Project Manager, Product Manager, and Head of Product, Solution and Technology. His leadership and deep technical expertise later led to his appointments as Chief Operations Officer and subsequently as Executive Officer of one of HeiTech's subsidiaries, where he was responsible for overall business operations and strategic growth.

Sazman was appointed as Chief System Officer in February 2025.

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CHU ZHI NING

- Group Finance Director

QUALIFICATIONS:

- Fellow of the Association of Chartered Certified Accountants
- Advanced Diploma of Commerce (Financial Accounting), Tunku Abdul Rahman College ("TARC")
- Diploma of Finance/Accountancy Banking (Accounting), Tunku Abdul Rahman College ("TARC")

EXPERIENCES:

Zhi Ning brings with her over 15 years of extensive experience in corporate finance, having built a career across diverse industries and reputable organisations. Her professional journey began in 2011 at McMillan Woods Mea, where she served as an Audit Senior until 2014. In this role, she gained a solid foundation in auditing and compliance, setting the stage for her future leadership in finance.

In 2014, she advanced to the position of Senior Financial Analyst at NOL Global Services Centre Sdn Bhd, where she was responsible for financial planning and analysis, supporting strategic decision-making processes until 2016. She further broadened her expertise in financial reporting and corporate governance during her tenure at Eversendai Corporation Berhad as an Accountant from 2016 to 2019.

Zhi Ning then took on the role of Group Accountant at MyEG Services Berhad in 2019, where she led group-level financial consolidation and reporting for five years, playing a key role in strengthening financial operations and enhancing fiscal accountability. Her most recent position prior to joining HeiTech was at Hachiman Technology Sdn Bhd, where she served as Group Accountant and contributed to financial restructuring and strategic planning.

Zhi Ning was appointed as Group Finance Director in December 2024.

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NORAZIMA BINTI HUSSAIN

- Group Human Capital Director

QUALIFICATION:

- Bachelor's Degree in Business Administration, Majoring in Finance, International Islamic University, Malaysia

EXPERIENCES:

Norazima began her career as PNB Trainee Executive in 1995 and grew significantly during her time at Managed Network & Communications Services Department ("MNCS") from 1999 to 2008. With over 20 years of experience, she has established herself as a strategic expert in corporate planning, human resources, and practices management.

Norazima, the Group Head of Corporate Planning and Corporate Services at HeiTech, has played a key role in setting the strategic direction of numerous divisions under HeiTech Padu Berhad. She serves as the Chairman, Management Review Meeting ("MRM") since 2022.

She was appointed as Group Human Capital Director in April 2025.

PROFILE OF SENIOR MANAGEMENT

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NASRUL HATA BIN MOHD ALI

- Group Business Director ("Public Sector")

QUALIFICATIONS:

- Bachelor in Information Technology, Universiti Utara Malaysia
- Certified Digital Marketeer, Digital Marketing Institute, London

EXPERIENCES:

Nasrul Hata brings over 20 years of industry experience and expertise spanning enterprise ICT solutioning, strategic business development, and large-scale public sector digital transformation. His leadership has shaped HeiTech's trajectory as a trusted technology partner to the Malaysian Government.

Currently, he oversees a substantial public sector portfolio, including key projects such as the NIISe Development Project and myIMMs Maintenance, as well as engagements with federal agencies like the Ministry of Domestic Trade and Costs of Living ("KPDN"), Ministry of Higher Education ("MoHE"), and Ministry of Education ("MOE"). Nasrul's stewardship has aligned HeiTech's offerings with national priorities in digital governance, public safety, and secure citizen services, while strengthening government relationships.

Nasrul was appointed as Group Business Director ("Public Sector") in April 2025.

SIVARAJAH A/L K. SUBRAMANIAM

- Group Business Director ("Private Sector")

QUALIFICATIONS:

- Diploma in Electrical and Electronics in Tafe College from Northumbria University
- Bachelor in Business (Marketing) from Universiti Putra Malaysia

EXPERIENCES:

Sivarajah Subramaniam brings over 18 years of experience in the Information and Communications Technology ("ICT") industry especially in the private sector business. He began his journey in 2008 as Head of Sales for the Open Market, where he demonstrated remarkable skill in expanding market reach significant growth and milestone through expansion of existing customers and acquisition of new customers in GLC, FSI, corporate clients and government education sector. His success in this role led to his promotion to Sales Director in 2017, where he further honed his strategic capabilities and led high-performing teams to achieve impressive revenue & profit milestones.

Under Sivarajah's leadership, the private sector division has seen significant growth, thanks to his deep understanding of market dynamics and strong client relationships. His commitment to innovation and excellence is evident in his ability to craft tailored solutions that meet the evolving needs of customers. Known for his strategic thinking and collaborative approach, Sivarajah continues to be a key driver of HeiTech's success, inspiring his teams to reach new heights in delivering value to customers.

Sivarajah was appointed as Group Business Director ("Private Sector") in April 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("the Board") is pleased to present HeiTech Padu Berhad's ("Group") Corporate Governance Overview Statement ("CG Overview Statement") for 2024. This CG Overview Statement reaffirms HeiTech's pledge in maintaining a high-level commitment in carrying out the oversight of management affairs as we remain committed to promote sound corporate governance practices and a culture of integrity as well as transparency throughout the Group. The Board upholds that good corporate governance is vital for charting the Group's strategic direction and guiding decision-making processes, and to continuously deliver sustainable long-term value for the stakeholders.

This statement is prepared in compliance with Paragraph 15.25(1) Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirement ("MMLR"), the Companies Act 2016, the revised Malaysia Code on Corporate Governance 2021 which was issued by the Securities Commission on 28th April 2021 ("MCCG 2021") and Corporate Governance Guide (4th Edition) issued by Bursa Malaysia. It is to be read together with the Corporate Governance Report 2023 ("CG Report") of the Company which is available on the corporate website at www.heitech.com.my.

Our corporate governance practices are guided by the following three (3) key Corporate Governance Principles, as contained in the MCCG 2021:

Principle A	Principle B	Principle C
Board Leadership & Effectiveness;	Effective Audit & Risk Management; and	Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I) BOARD RESPONSIBILITIES

The Board consists of experienced members with a wide range of expertise, who plays an important role in the stewardship of the Group. Each member of the Board has a duty to act in good faith as well as in the best interest of the Group. In discharging its duties and responsibilities, the Board is cognisant of their roles in charting the strategic direction and operation of the Group.

1. Chairman and Group Chief Executive Officer

There is clear division of responsibility between the Chairman and the Group Chief Executive Officer thus ensuring a balance of power and authority. This is to ensure the objectivity of the Chairman and the Board is not impaired during the deliberation on the recommendations by the Board Committees. The Chairman's role is to provide leadership and ensure the effectiveness of the Board's governance processes, whilst the Group Chief Executive Officer manages the commercial and operational aspects of the business.

As of 31st December 2024, Puan Salmi Nadia Binti Mohd Hilmey had tendered her resignation as the Group Managing Director / Group Chief Executive Officer of the Company. Following her departure, the Board had appointed Encik Hasrul Azuan Bin Mohd Yusof as the Chief Executive Officer of the Company. Encik Hasrul Azuan Bin Mohd Yusof subsequently resigned from his position as the Chief Executive Officer on 19th March 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Roles and Responsibilities of the Board

The Board is committed in ensuring the Company's purpose, values and high standards that are set by the Chairman and all Non-Executive Directors, with the support of the management team and embedded throughout the Group. The Board is responsible for the effective leadership and long-term success of the Group.

The responsibilities of the Board include, inter-alia, the following:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the performance of the Management;
- Monitoring and managing principal risks in the business;
- Ensuring implementation of appropriate internal controls and mitigation measures;
- Ensuring the availability of succession planning for the Management;
- Overseeing the development and implementation of stakeholder communication policy for the Group; and
- Reviewing the adequacy and the integrity of the Management information and internal control system of the Group.

The Board Charter duly adopted by the Board clearly outlines the roles and responsibilities of the Board and those which it delegates to the various Board Committees. The Board Charter is available at the Company's website at www.heitech.com.my.

The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities. Details of the Board members' attendance at the Board and Board Committee meetings for the financial year ended 31st December 2024 are as follows: -

Director	Board of Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee	Risk Management Committee Meeting	Integrity & Whistleblowing Board Committee Meeting
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor (Retired w.e.f. 02.10.2024)	13/18	N/A	N/A	N/A	N/A
Dato' Sri Mohd Hilmey Bin Mohd Taib	18/18	N/A	N/A	N/A	N/A
Puan Salmi Nadia Binti Mohd Hilmey (Appointed w.e.f. 03.04.2024) (Resigned w.e.f. 31.12.2024)	9/18	N/A	N/A	N/A	N/A
Sandraruben Neelamaghram (Appointed w.e.f. 03.04.2024)	10/18	N/A	N/A	N/A	N/A
Datuk Mohd Radzif Bin Mohd Yunus	16/18	N/A	7/7	7/7	N/A

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

Director	Board of Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee	Risk Management Committee Meeting	Integrity & Whistleblowing Board Committee Meeting
Datuk Mohd Jimmy Wong Bin Abdullah (Appointed w.e.f. 03.04.2024) (Appointed as Member of IWBC and NRC on 29.08.2024)	10/18	N/A	3/7	N/A	3/6
Encik Sulaiman Hew Bin Abdullah	18/18	N/A	7/7	7/7	N/A
Puan Wan Ainol Zilan Binti Abdul Rahim	18/18	8/8	N/A	N/A	N/A
Encik Hamzah Bin Mahmood	18/18	8/8	N/A	N/A	N/A
Encik Razalee Bin Amin	18/18	8/8	N/A	N/A	6/6
Mr. Chong Seep Hon	18/18	N/A	N/A	7/7	6/6

All Directors are provided with the agenda prior to each Main Board Committee meetings to ensure the Directors are accorded with sufficient time to appraise the information. The Directors are also provided with Board papers which contain, among others, the Group's financial performance, management reports and proposals and various Board Committee reports prior to the Board meeting. The Board papers are issued in advance to facilitate informed decision making.

All proceedings of the Board meetings are minuted and circulated to all Directors for their perusal and comments. The Directors may request for further clarification or raise comments on the minutes prior to the minutes being confirmed as a correct record of the proceedings of the Board at the subsequent meeting. The signed minutes of each Board and Board Committee Meetings are properly kept by the Company Secretary and the Company Secretary is entrusted to organise and attend all Board meetings to ensure proper records of the proceedings.

Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist in carrying out its responsibilities and functions. The Board has established five (5) Board Committees, namely the Audit Committee, Risk Committee, Nomination and Remuneration Committee, Integrity & Whistleblowing Board Committee and Employee Share Option Scheme Committee that are delegated with specific responsibilities as defined under their respective Terms of Reference to assist the Board in carrying out matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters however, lies with the Board. The minutes of the respective Board Committee meetings are tabled at the quarterly Board meetings to keep the Board abreast of the decision and deliberation made by the respective Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary who is a member of relevant professional bodies. The appointment of Company Secretary is based on the capability and proficiency determined by the Board. All members of the Board have unrestricted access to the advice and the services of the Company Secretary on all matters relating to the Group to assist them in the furtherance of their duties.

The Company Secretary ensures that all Main Board and Board Committee meetings are properly convened, proceedings and resolutions passed are properly and accurately recorded and that minutes are circulated to the Board members as soon as possible before the next meeting.

The Company Secretary keeps abreast of the evolving regulatory changes and developments in corporate governance through continuous training as they play an important role in advising the Board on updates relating to new statutory and relevant regulatory requirements.

Access to Information

All Directors have unrestricted direct access to the advice and services of the management representative for obtaining the relevant information to facilitate in discharging their duties. As and when required, Directors are also able to seek advice from independent professional advisers whenever necessary at the Company's expense, to enable the Board and committee members to discharge their duties with adequate knowledge on the matter being deliberated.

Code of Conduct

In an effort to promote and maintain high ethical standards at all times, the Board is expected to adhere to the code of Business Conduct and Ethics which was designed to promote the principles of integrity, sincerity, honesty, responsibility, social responsibility and accountability to enhance the Group's standard of corporate governance and behaviour. The Directors are obliged to follow the code as it is the way to manifest their commitment to professionalism and integrity.

Whistleblowing Policy

The Company has established its Whistleblowing Policy, with the objective to protect the values of transparency, integrity, governance, impartiality and accountability in the manner in which the Group conducts its business and affairs.

Through effective implementation, the Group will enhance its accountability in preserving its integrity and will be able to stand up to public and legal scrutiny. This, in turn, enhances and builds the credibility of HeiTech's stakeholders. A copy of the Whistleblowing Policy and Guidelines is available for viewing on the Group's corporate website at www.heitech.com.my.

Anti-Bribery and Corruption Policy

In compliance with the Corporate Liability Provision Section 17A of the Malaysian Anti-Corruption Commission Act 2009 enforced on 1st June 2020, and guided by the Paragraph 15.29 of the Listing Requirements of Bursa Securities in relation to anti-bribery, the Board has adopted Anti-Bribery and Corruption Policy ("ABCP") in order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its business and operations. The ABCP addresses the commitment of the Group towards a sound and good governance. A copy of the ABCP is available for viewing on the Group's corporate website at www.heitech.com.my.

Directors Training

The Board recognises that Directors' training is an ongoing process to ensure that Directors keep themselves abreast of the latest developments in areas related to their duties and to equip themselves with the necessary skills and knowledge to meet the challenges faced by the Board.

CORPORATE GOVERNANCE

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Directors are also encouraged to personally undertake appropriate training and refresher courses to maintain the skills required in performing their obligations to the Group. The training/courses attended by the Directors during Financial Year Ended 31st December 2024 are as follows:

Seminars / Forum / Conference / Training
• Mandatory Accreditation Programme Part I
• Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")
• Directors and Senior Management Training 01/2024: "Boom or Bust – The Evolving Role of Senior Leaders in Unlocking Sustainability Value for Business Resilience and Growth"
• Directors and Senior Management Training 02/2024: "Briefing Session of the Directors and Officers ("D&O") Liability Insurance"
• MIA Forum with Practitioners
• Directors and Senior Management Training 03/2024: "Introduction to Monoclonal Antibodies"
• Practical MPERS for Key Sections in Financial reporting
• MFRS/IFRS Technical Update 2024 – Including IFRS Sustainability
• Audit Procedure (Part 2) – Test of Controls & Substantive Analytical Procedure
• Navigating the AI Landscape for the C-Suite
• Understanding E-Invoice Requirement for Your Business
• Understand and Manage Latest Update and Compliance On Employer Tax Obligations and Payroll Audit By IRBM
• MIA Webinar Series: Begin your Journey with Global Internal Audit Standards ("GIAS")

II) BOARD COMPOSITION

The Group is led and managed by a diverse, competent and experienced Board of Directors with a mix of suitably qualified and experienced professionals having wide and varied expertise in the fields of accounting, finance, taxation, audit, business, information technology and law. This enables the Board to carry out its responsibilities effectively and ensures accountability.

As of 25th March 2025, the Board consists of nine (9) members:-

1	2	6
Executive Director	Non-Independent Non-Executive Director	Independent Non-Executive Director

All six (6) individuals known for their exceptional integrity and caliber, possessing comprehensive insight into the Company's operations. They offer a diverse range of experience and expertise, contributing to a robust understanding of the business. The size and composition of the Board are reviewed annually, taking into account the scope, nature and diversity of the business operations of the Group.

The composition fulfils the requirements set out under Paragraph 15.02 MMLR of Bursa Malaysia which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee ("NRC") consists of exclusively Independent Non-Executive Directors. The members are as follows:

Members	Designation
Sulaiman Hew Bin Abdullah	Chairman
Datuk Mohd Radzif Bin Mohd Yunus	Member
Datuk Mohd Jimmy Wong Bin Abdullah (Appointed w.e.f. 29 August 2024)	Member

NRC is entrusted to review and make recommendations to the Board in identifying suitable candidates for Directors, Group Chief Executive Officer ("GCEO"), Group Chief Operating Officer ("GCOO"), Chief Executive Officer ("CEO") and Executive Vice President ("EVP") for the Group.

The NRC considers various aspects, including competencies, commitment, contribution and performance of a candidate and strictly adheres to the selection process which emphasises the qualification, backgrounds and capabilities of the candidates.

NRC also considers and recommends to the Board the remuneration scheme for Directors, GCEO, GCOO, CEO and EVP. The NRC will regularly review and compare the scheme which is benchmarked against the industry. Independent Directors may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Group.

Directors' Independence

The Board acknowledges the valuable contributions of Independent Non-Executive Directors ("INEDs") to effective corporate governance. INEDs play a pivotal role by offering impartial and autonomous perspectives, advice, and assessments, thereby ensuring objectivity and scrutiny in the Board's decision-making processes. Their role is particularly vital in safeguarding the interests of minority shareholders. It is imperative for all Directors, irrespective of their independence status, to prioritise the Group's best interests and exercise unrestricted and autonomous judgement. Hence, the Board asserts that all Directors consistently exercise independent judgement.

The Board takes cognisance of the MCGC best practice stipulating that the tenure of an Independent Director should not exceed a term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve

on the Board subject to justification and recommendation by the Board and seek shareholders' approval through a two-tier voting process during the annual general meeting. In addition, the enhanced MMLR limits the tenure of an Independent Director to not exceed a cumulative tenure of twelve (12) years.

Re-election of Directors

The Company's Constitution provides that at least one-third (1/3) of the Directors be subjected to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors retire once every three (3) years and be eligible to offer themselves for re-election. The Constitution also provides that Directors who are appointed during the year be subjected to re-election at the next AGM following his/her appointment.

At the forthcoming AGM, three (3) Directors namely, Dato' Sri Mohd Hilmey Bin Mohd Taib, Encik Sulaiman Hew Bin Abdullah and Encik Hamzah Bin Mahmood will be retiring by rotation pursuant to Clause 82 of the Company's Constitution and being eligible, offered themselves for re-election.

Gender Diversity

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCGC 2021 to the establishment of boardroom and workforce Gender Diversity Policy.

As of 25th March 2025, the Company has one (1) female Director on its Board that fulfils the requirement of Paragraph 15.02(1)(b) of the MMLR which requires at least one (1) Director of the listed issuer is a woman. The Board, through the NRC will continue to consider gender diversity as part of its future selection on female board representation.

CORPORATE GOVERNANCE

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The evaluation on the suitability of candidates as a new Director or as a member of the workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Group, regardless of gender. The Group is an equal opportunity employer and does not practise discrimination of any form, whether based on age, gender, race and religion.

III) REMUNERATION

The Board strives to ensure that there is formal and transparent remuneration to attract and retain high calibre and qualified Non-Executive Directors ("NEDs") on the Board as well as to ensure that the remuneration is commensurate with their responsibilities and duties. The calibre of the NEDs serving the Company is essential in upholding high standards of corporate governance adopted by the Group.

For the year under review, the breakdown of Directors' Remuneration incurred by the Company is disclosed below:

	Annual Fees (RM)	Special Allowances (RM)	Salary (RM)	Meeting Allowances (RM)	Benefit in Kind (RM)	Total (RM)
Executive						
Dato' Sri Mohd Hilmey Bin Mohd Taib		-	1,260,000.00	16,500.00	92,655.03	1,369,155.03
Puan Salmi Nadia Binti Mohd Hilmey (Appointed w.e.f. 03.04.2024) (Resigned w.e.f. 31.12.2024)	103,500.00	599,000.00		-	45,442.54	747,942.54
Sandraruben Neelamaghram (Appointed w.e.f. 03.04.2024)		-	89,333.33		-	89,333.33
Non-Executive						
Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor (Resigned w.e.f. 02.10.2024)	40,000.00	27,000.00	-	32,500.00	-	99,500.00
Datuk Mohd Radzif Bin Mohd Yunus	45,000.00	-	-	63,500.00	-	108,500.00
Datuk Mohd Jimmy Wong Bin Abdullah (Appointed w.e.f. 03.04.2024)	9,222.00	-	-	32,000.00	-	41,222.00
Sulaiman Hew Bin Abdullah	45,000.00	-	-	67,500.00	-	112,500.00
Wan Ainol Zilan Binti Abdul Rahim	45,000.00	-	-	56,000.00	-	101,000.00
Hamzah Bin Mahmood	40,000.00	-	-	52,000.00	-	92,000.00
Razalee Bin Amin	45,000.00	-	-	67,000.00	-	112,000.00
Chong Seep Hon	45,000.00	-	-	62,000.00	-	102,000.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Every company needs to consider in detail which audit and risk management arrangements that are best suited for its particular organisation. These arrangements need to be proportionate to the task, and will vary according to the size, maturity, complexity and risk profile of the company. Nevertheless, there are certain guiding principles and practices which underlie the effectiveness of an audit and risk management process and they can help to ensure that the specific approaches are applied effectively that is, by the right people with the right information, procedures and perspectives.

I) AUDIT COMMITTEE ("AC")

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors ("INEDs"). The members of AC are as below:-

Members	Designation
Wan Ainol Zilan Binti Abdul Rahim	Chairman
Razalee Bin Amin	Member
Hamzah Bin Mahmood	Member

The AC comprises entirely of INEDs and the Chairman of the AC is not the Chairman of the Board. This meets the requirements of paragraph 15.09 (1) (a) and (b) of the Listing Requirements and Practice 9.1 of the MCGC.

The Chairman of the AC is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and complies with Paragraph 15.09 (1)(c)(i) of the Listing Requirements.

Collectively, the members of the AC have a wide range of relevant skills, knowledge, experience and skills in accounting and finance and highly qualified to review the accuracy of the Group's financial reporting prior to the recommendation to the Board for approval.

 The AC carries the responsibilities as listed in the AC Report on pages 111 to 115 of the Annual Report.

Relationship with the External Auditors

The AC has established policies and procedures to review and assess the appointment or re-appointment of external auditors in respect of their suitability, objectivity and independence. The AC in this regard assesses and reviews annually among others, the adequacy of their experience and resources, their audit engagements and the experience of the engagement partners in accordance with the requirements of the Group.

The AC also meets with the external auditors without the presence of the Management to discuss matters privately with them. During the financial period under review, the AC met the external auditors thrice without the presence of the Management.

Aside from the provision of statutory services, the external auditors also provide non-audit services to the Group.

The proposed fees for the non-audit services are reviewed by the AC and approved by the Board. In its review, the AC ensures that the independence and objectivity of the external auditors are not compromised. In addition, the AC must be satisfied that there is no element of conflict of interest and the fees chargeable are within the allowable threshold set.

The AC was satisfied with the quality of the audit, performance, competency and sufficient resources provided by the external auditors during the financial period under review. The AC was also satisfied that the provision of the non-audit services by the external auditors to the Group did not impair their objectivity and independence as external auditors of HeiTech.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Audit Function

The Group's internal audit function is carried out by an Internal Audit & Assurance department led by Encik Ahmad Kamal Bin Mohd Kassim. Internal audit provides an independent assessment of the effectiveness and efficiency of internal controls by utilising a global audit methodology and tool to support the corporate governance framework.

 Further details on the internal audit function are described in the Audit Committee's Report on pages 111 to 115 of the Annual Report.

II) RISK MANAGEMENT COMMITTEE ("RMC")

In order to maintain a sound internal control system and ensure mitigation is in order, the Board is assisted by RMC.

The RMC consists of exclusively Independent Non-Executive Directors. Currently, members are as follows: -

Members	Designation
Datuk Mohd Radzif Bin Mohd Yunus	Chairman
Sulaiman Hew Bin Abdullah	Member
Chong Seep Hon	Member

RMC is assisted by the Central Risk Review Committee ("CRRC") led by the GCEO to identify, deliberate, and monitor the strategic and operational risks of the Group. The members of CRRC consists of the Management team from various units within the Group. The CRRC implements the Risk Management Framework and Policy for the Group and reports to the RMC on a quarterly basis. The report is then escalated to the Board for further deliberation and action to be taken subsequently.

RMC also reviews and deliberates any potential investment to be made by the Group. They are assisted by the Investment Committee in their deliberation before recommending to the Board for approval. The Investment Committee facilitates the Board in discharging its statutory and fiduciary responsibility relating to investments and to generate economic benefits either in the form of dividends and improved profitability.

Risk Management and Internal Control Framework

The Board is fully aware of its overall responsibility to continuously maintain a sound system of internal control which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investment and the Company's assets.

 The statement of the Company on risk management and internal control system is set out in the Statement on Risk Management and Internal Control on pages 116 to 127 in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

Communication with Stakeholders

The Board recognises the importance of communication and proper dissemination of information to its shareholders and investors. Through extensive disclosures of appropriate and relevant information, the Company aims to effectively provide shareholders and investors with information to maintain transparency and accountability.

In this respect, the Company keeps shareholders informed via announcements and timely release of quarterly financial reports, press releases, annual reports and circulars to shareholders.

Shareholders and members of the public may obtain information on the Group's operations and activities, as well as press releases, announcements and financial information, etc. from the Company's website at www.heitech.com.my.

The communication channels used in the Company's engagement with stakeholders include:

- i) Various disclosures and announcements to Bursa Securities including quarterly financial results;
- ii) Press releases and announcements to Bursa Securities and to the media;
- iii) The Company's Annual Report;
- iv) Dialogues and presentations at general meetings to provide the overview and clear rationale with regards to the proposals tables and approval; and
- v) Any other information via website at www.heitech.com.my.

Conduct of Annual General Meeting ("AGM")

The Company's Annual General Meeting serve as principal forums for shareholders to engage directly with the Directors and Senior Management. It also provides the opportunity for shareholders to raise questions pertaining to issues related to the Annual Report, Audited Financial Statements, corporate developments, resolutions being proposed and the business of the Group.

Shareholders are encouraged to attend AGM and to participate in the question-and-answer session on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to attend the meetings are allowed to appoint proxies to attend and vote on their behalf in accordance with the Company's Constitution.

In 2024, all the Board members attended the AGM. Notice of the Twenty-Ninth (29th) AGM held on 25th June 2024 were issued more than 28 days prior to the Meeting date as recommended by MCCG 2021 and Companies Act 2016. Each item of special business included in the notice of AGM was accompanied by an explanatory note of the effects of the proposed resolutions in accordance to Paragraph 8.27(3) of MMLR.

The 29th AGM was conducted via fully virtual through live streaming and online remote voting via Remote Participation and Voting facilities. The poll results were verified by the appointed scrutineers and the Minutes of the 29th AGM was published in the Company's website within 30 days from the meeting.

Poll Voting

Pursuant to paragraph 8.29A (1) of Listing Requirements, the Company is required to ensure that all resolutions set out in the notice of general meetings are voted by poll.

At the 29th AGM, all resolutions were decided by way of the poll. The votes received in respect of each resolution were announced to Bursa Securities on the same date as the meeting was held. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Investors Relations

The shareholders and the public may address their queries regarding the Group to the following persons:-

- i) **Zainal Amir Bin Ahmad** (Group Company Secretary)
 - Tel: 03 8601 3000 or zainalahmad@heitech.com.my
- ii) **Rosman Mustafa Kamar** (for Investor Relation and Shareholders Communication)
 - Tel: 03 8601 3000 or rosmanmk@heitech.com.my

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with paragraph 9.25 of Bursa Malaysia LR.

i) **Options, Warrants or Convertible Securities**

The Group did not issue any options, warrants or convertible securities during the financial year under review.

ii) **The Imposition of Sanction/Penalties**

There were no sanctions nor penalties imposed on the Group and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies during the financial year ended 31st December 2024.

iii) **Material Contracts**

Neither Group nor its subsidiary companies had entered into any material contracts which involved Directors' and major shareholders' interest during the financial year ended 31st December 2024.

iv) **Audit and Non-Audit Fees**

The amount of audit fees and non-audit fees paid or payable to the external auditors by the Company and the Group for FY2024 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	504	305
Non-audit fees	13	-
Total	517	305

v) **Profit Guarantee**

There was no profit guarantee given by the Group during the financial year ended 31st December 2024.

vi) **Share Buy Back**

There was no share buyback exercise done during the financial year ended 31st December 2024.

COMPLIANCE STATEMENT

This Statement on the Company's corporate governance practices is made in compliance with the Listing Requirement. Having reviewed and deliberated this Statement, the Board is satisfied that, to the best of its knowledge, for the financial year under review the Company is substantially in compliance with the principles and practices set out in the MCCG 2021, as well as the relevant paragraphs under the Listing Requirement. This statement has been presented and approved by the Board at its meeting held on 25th March 2025.

AUDIT COMMITTEE REPORT

The Board of Directors of HeiTech Padu Berhad is pleased to present the Report of the Audit Committee ("Committee") for the financial year ended 31 December 2024 in compliance with paragraph 15.15 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

COMPOSITION AND MEETINGS

At present, the Committee consists of three (3) Independent Non-Executive Directors of the Company. The composition of the Committee includes members of the Malaysian Institute of Accountants ("MIA") as prescribed in the Accountant Act 1967. Therefore, the requirement of paragraph 15.09(1) of the Listing Requirements of BMSB has been complied with.

The Committee has met nine (9) times during the financial year ended 31 December 2024. The composition of the Committee and details of their attendance are as follows:

Committee Members	Status of Directorship	No. of Meetings Attended
Wan Ainol Zilan Binti Abdul Rahim (Chairman of the Committee)	Independent Non-Executive Director	9 out of 9
Hamzah Bin Mahmood	Independent Non-Executive Director	9 out of 9
Razalee Bin Amin	Independent Non-Executive Director	9 out of 9

The Committee meetings were attended by the Top Management of HeiTech and the Vice President of Audit & Assurance. External Auditors have attended the meeting, upon invitation to brief the Committee on matters pertaining to financial year-end audit.

TERMS OF REFERENCE OF THE COMMITTEE

The Terms of Reference of the Committee are accessible for reference by the public through HeiTech's corporate website at www.heitech.com.my.

AUDIT COMMITTEE REPORT

COMMITTEE'S WORK SUMMARY

During the financial year ended 31 December 2024, the Committee has carried out the following tasks:

a) Financial Reporting

- i) Reviewed the quarterly financial results prior to recommending for consideration and approval by the Board of Directors;
- ii) Reviewed the annual audited financial statements to ensure compliance with the Listing Requirements of the BMSB, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors;
- iii) Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements; and
- iv) Obtained assurance from the Chief Executive Officer and Chief Financial Officer that:
 - Appropriate accounting policies had been adopted and applied consistently;
 - The going concern basis applied in the annual financial statements and quarterly financial statements was appropriate;
 - Prudent judgements and reasonable estimates had been made in accordance with Malaysian Financial Reporting Standards ("MFRS");
 - Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and Listing Requirement of BMSB; and
 - The annual audited financial statements and the quarterly financial statements did not contain material misstatements and gave a true and fair view of the financial performance and financial position of the Group and the Company for 2024.

b) Internal Audit

During the year, the Committee:

- i) Reviewed and approved the 2024 Annual Internal Audit Plan;
- ii) Reviewed and approved the 2024 KRA/KPIs for the Internal Audit;
- iii) Reviewed and deliberated the Internal Audit reports on significant issues and audit findings, audit recommendations, and Management responses and action plans;
- iv) Discussed on action taken to improve the effectiveness of the internal control system in the audit areas;
- v) Monitored the implementation of audit recommendations to ensure that all key risks and controls issues are being addressed;
- vi) Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control, and Statement of Corporate Governance and recommend to the Board for approval prior to their inclusion in the Annual Report;

AUDIT COMMITTEE REPORT

- vii) Reviewed Internal Audit performance reports for the financial year to ensure the adequacy of resource requirements, competencies of Internal Audit staff, performance and progress of the Internal Audit function to execute the annual audit plan, achievement and coverage of the Internal Audit function; and
- viii) Appraised the performance of the Vice President of Audit & Assurance and the measurements of the Internal Audit function against the KRA/KPIs set.

The Chairman of the Committee held private sessions with the Vice President of Audit & Assurance on audit reports and any internal audit related matters when there were issues of concern.

c) External Audit

During the year, the Committee evaluated, reviewed and recommended to the Board of Directors for approval on the followings:

- i) The External Auditor's 2024 terms of engagement, audit plan, nature, approach and scope of the audit;
- ii) The audit fees and key audit staff assigned to the audit engagement;
- iii) Issues arising from External Auditor's identified Key Audit Matters ("KAM") and the audit procedures in addressing such KAM, Management's response and External Auditor's evaluation of the Internal Control System;
- iv) The significant accounting and auditing issues arising from the audit and any matters the External Auditors may wish to discuss; and
- v) The External Auditor's report on Directors' Statement on Risk Management and Internal Control ("SORMIC").

In 2024, the Committee held three (3) private sessions with External Auditors Messrs. Al Jafree Salihin Kuzaimi PLT, in the absence of Management, on 26th February 2024 (103rd ACM), 25th March 2024 (Special 1/2024 ACM) and 20th November 2024 (106th ACM).

The External Auditors have assured the Committee that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement.

d) Related Party Transactions

- i) Reviewed and discussed reports on Related Party Transactions ("RPT"), Recurrent RPT ("RRPT") and possible Conflict of Interest ("COI") transactions to ensure that all RPT and RRPT were undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are not more favourable than those available to the public and other suppliers and are not detrimental to the minority shareholders; and
- ii) Monitored the threshold of the RPT and RRPT to ensure compliance with the Listing Requirements of BMSB.

e) Annual Reporting

The Committee reviewed and recommended to the Board of Directors for approval, the disclosures on the Statement of Corporate Governance, Audit Committee Report and Statement on Risk Management and Internal Control, and Corporate Governance Report for the financial year ended 31st December 2024 for inclusion in the 2024 Annual Report to ensure that they were prepared in compliance with relevant regulatory requirements and guidelines.

AUDIT COMMITTEE REPORT

STATE OF INTERNAL CONTROL

 The Statement on Risk Management and Internal Control furnished on pages 116 to 127 of the annual report provides the overview of the state of internal controls within the Group.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

The Group through the Committee has established transparent and appropriate relationship with the External Auditors in order to meet their professional requirements. Key features underlying the relationship of the Committee with the External Auditors are included in the Audit Committee's Terms of Reference. Meetings are held to discuss the findings of the External Auditors and to finalize the results of the audited financial statements.

SUMMARY OF THE INTERNAL AUDIT FUNCTION

HeiTech has an in-house Internal Audit function carried out by the Audit & Assurance Department ("AA"). The principal responsibility is to evaluate and improve the effectiveness of risk management, internal control and governance processes. This is accomplished through a systematic approach of regular reviews and appraisals of the operational activities, internal control and governance processes based on the audit plan that is approved by the Committee annually. This will provide the Board of Directors with assurance it requires regarding the adequacy, integrity and effectiveness of the internal control system.

AA is headed by the Vice President of Audit & Assurance, Encik Ahmad Kamal Bin Mohd Kassim who reports to the Audit Committee. He is a Chartered Member of The Institute of Internal Auditors Malaysia. He is also a Chartered Accountant of The Malaysian Institute of Accountants and holds a Bachelor's Degree in Accountancy (Honours), Universiti Teknologi MARA. He was also commissioned as Certified Integrity Officer by the Malaysian Anti-Corruption ("MACC") Academy. He has more than 25 years of experience in the areas of internal and external auditing, business process improvement, quality management system / ISO standards and certifications, enterprise risk management and corporate governance assurance.

The Terms of Reference of the Internal Audit function is clearly spelt out in the Audit Charter that defines the roles, responsibilities, accountability and the Department's scope of work. AA had operated and performed in accordance with the principles of the Audit Charter that provides for its independence function. Internal audits are carried out across the Group to ensure consistency in the application of policies and procedures within the Company and the Group. AA independently reviews the internal control processes (financial, operational and IT controls) implemented by the Management.

A detailed 2024 Annual Internal Audit Plan was presented to the Committee for approval. The Internal Audit function adopts risks-based approach following Committee of Sponsoring Organisation of The Treadway Commission ("COSO") as the Control Framework for financial and operational activity, and Control Objectives for Information and Related Technology ("COBIT") for IT related audit and prepares its audit strategy and plan based on the risk profiles of the major business units and support functions of the Group.

AA has a total of 6 staffs as of 31st December 2024. The total operational cost of the Department for 2024 was RM844,996 comprising mainly salaries, travelling expenses, administrative costs and training.

The Internal Audit assignments conducted in 2024 include operational and management audit, IT security and infrastructure audit and project management and compliance audit. The audits covered various operational areas, projects undertaken, subsidiary companies and support functions. The corresponding audit reports were presented to the Management and Committee for attention, deliberation and corrective actions.

**AUDIT
COMMITTEE REPORT**

During the financial year, AA had undertaken the following activities:

- a) Prepared the 2023 Annual Internal Audit Performance Report for review by the Committee;
- b) Prepared the 2024 KRA/KPIs for approval by the Committee;
- c) Prepared the 2024 Annual Internal Audit Plan for the approval of the Committee;
- d) Implemented the approved 2024 Annual Internal Audit Plan;
- e) Assessed the adequacy and effectiveness of internal control system within the Company and the Group;
- f) Examined and evaluated the adequacy, effectiveness and efficiency of financial and operational control within the Company and the Group;
- g) Ascertained the adequacy of controls to safeguard the assets of the Company and where applicable, verify the existence of the assets owned by the Company and the Group;
- h) Reviewed the Related Party Transactions ("RPT") arising within the Company and the Group on a quarterly basis;
- i) Provided reporting and recommendations to the Management of the Company and/or the Committee and the Board of Directors on the outcome of the audits;
- j) Conducted follow up audits to ensure effective and timely resolution of audit issues;
- k) Conducted ad-hoc audits upon request by the Committee and Management of the Company;
- l) Organised training programs for Internal Auditors to enhance their audit skills and knowledge; and
- m) Kept the Committee informed of the progress of audit activities.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 25th March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), a listed issuer must ensure that its Board of Directors ("Board") includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, Principle B (II) of the Malaysian Code on Corporate Governance ("MCCG") stipulates that the Board should maintain a sound system of internal controls, including a review of its effectiveness to safeguard shareholders' investments and the Group's assets.

Set out below is HeiTech's Statement on Risk Management and Internal Control, in compliance with the MMLR of Bursa Malaysia.

BOARD OF DIRECTORS' ACCOUNTABILITY

The Board acknowledges its responsibility to oversee and ensure a sound system of risk management and internal control for HeiTech. The risk management and internal control are regularly reviewed to ensure it remains relevant, effective and applicable to the changes in HeiTech's structure, processes and dynamic business environment.

An effective risk management framework helps HeiTech achieve its optimal performance by incorporating risk information for better decision-making, while sound internal controls enable appropriate responses in managing the identified risks, thus facilitating effective and efficient operations while safeguarding shareholders' investments and the Group's assets.

HeiTech's risk management and internal control does not apply to its associated companies and joint controlled

entities, which fall within the control of their majority shareholders. The interests of HeiTech are served through representation on the Board of the respective companies. These representations provide the Board with information for strategic decision making in view of the continuity of the Group's investments.

The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group and is satisfied with the adequacy and effectiveness of the Group's risk management and internal control for the year under review. The Board is also cognisant of its role in providing risk oversight and sets the tone and culture towards embedding risk management practices across the Group. The Board is supported by the Risk Management Committee and Audit Committee.

Environmental, Social, And Governance ("ESG") Oversight

In alignment with IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information), Paragraph 1, the Board is responsible for identifying, assessing, and disclosing sustainability-related risks and opportunities that may impact the Group's financial position and long-term value creation. This includes climate risk, regulatory changes, and operational disruptions, ensuring that sustainability-related considerations are integrated into the Group's risk management framework.

The Board recognises the increasing importance of ESG risks in shaping corporate strategy and stakeholder expectations, has formalised ESG oversight responsibilities at Risk Management Committee to ensure integration into risk management and corporate decision-making.

This is in line with MCCG 2021 (Principle A: Board Leadership & Effectiveness) and IFRS S1 governance disclosure requirements.

The Risk Management Committee is assisted by Central Risk Review Committee for identifying, assessing, and mitigating ESG-related risks, including climate change, regulatory compliance, cybersecurity, and ethical business practices. ESG risks will be reviewed quarterly, and key findings are escalated to the Board for strategic action.

A detailed assessment of these emerging risks, their financial implications, and mitigation strategies is provided in the Sustainability Statement at (see page 63).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Enterprise Risk Management ("ERM") framework of HeiTech governs the overall risk management activities within the Group. It was established based on the guidelines from ISO 31000 and involves systematic processes from risk identification to risk reporting, on the risks that may affect the attainment of the corporate objectives. Close monitoring and controlled processes, such as the usage of appropriate risk indicators will ensure the risk profiles are managed as per the guidelines in the framework. The risk management activities also include evaluation and assessment of all investments as well as divestments made by HeiTech. All efforts are guided by the framework which includes mitigation of identified risks, contribute to reducing uncertainties surrounding the internal and external environment. This allows us to maximise opportunities and build a successful and sustainable business moving towards the future.

The framework helps HeiTech to achieve our optimal performance for better decision-making, hence, facilitating effective and efficient operations while safeguarding shareholders' investments and the Group's assets.

The ERM framework is regularly reviewed and will be updated accordingly to address emerging risks and align with industry best practices, ensuring HeiTech is fully prepared to face new challenges. HeiTech remains committed to upholding the highest standards in risk management, ensuring that our processes continue to meet global best practices.

The implementation of risk management in the Group is supported by the following committees:

a) Risk Management Committee ("RMC")

RMC was established by the Board to signify the Group's commitment in enhancing the risk management system. RMC is responsible for the overall oversight, implementation and monitoring of the group-wide ERM Framework. Below are the members of the RMC:

Committee Members	Designation
Datuk Mohd Radzif Bin Mohd Yunus	Chairman
Sulaiman Hew Bin Abdullah	Member
Chong Seep Hon	Member

b) Central Risk Review Committee ("CRRC")

CRRC was formed to serve as a platform to assist the RMC and is responsible for group-wide risk activities, such as evaluation and formulation of effective mitigation controls. Members of CRRC are appointed by the RMC, upon recommendation by the Chief Executive Officer and Chief Risk Officer.

CRRC conducts the following activities to assist the RMC in discharging its duties and responsibilities:

- Establish risk management framework, policy and procedures;
- Facilitate and guide Risk Officers to perform their role effectively;
- Review key risk profile for process risk as escalated by the Management Review Meeting ("MRM");
- Identify strategic risks for each of the companies within the Group, that could affect business performance and survivability;
- Monitor the implementation of risk mitigation plans and deliberate to RMC on a quarterly basis;
- Coordinate programs for continuous improvement of the ERM implementation; and
- Evaluate and assess the risks associated with all investments made by HeiTech.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Board is committed to maintaining an effective Internal Control Structure and Controlled Environment for the proper conduct of business operations. The following key Internal Control Structures were implemented to ensure effective control and provide key elements needed in maintaining sound internal control:

a) Control Environment

HeiTech established structures that provide the basis for carrying out internal control across the organisation. The Board and Top Management set the tone on the importance of internal control including the expected standards of conduct.

i) Board Committees

The Board acknowledges sound governance requires effective interaction among the Board, the Management and the auditors. The Board reviews and deliberates the whole spectrum of the Group's business strategies, directions, challenges and financial statements. In discharging its responsibilities, the Board is assisted by the following Board Committees, that are administered by defined terms of reference:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ii) Management meetings

The following are the various types of Management meetings conducted in HeiTech:

Type of Management meetings	Frequency
Executive Council meetings Set the strategic direction of the Group and review the Group's performance and challenges.	When needed
Central Review Committee meetings Review and evaluate business proposals to ensure that strategic solutions, pricing and partnerships (with customers and various types of partners) are appropriately considered.	When needed
Central Risk Review Committee meetings Review and deliberate key risk profiles for all departments and companies within HeiTech Group. Monitor the effectiveness of the mitigation implementation plan and recommendations for improvement.	Periodically
Management Review meetings Review HeiTech's Quality Management System to ensure the continuation of stability, adequacy, effectiveness and alignment with Quality Policy and the strategic direction of HeiTech.	Quarterly
Procurement Committee meetings Deliberate and approve the procurement and acquisition process.	Periodically
Investment Committee meetings Review and deliberate all investments to be made by HeiTech and recommend to the Risk Management Committee.	When needed
Project Steering Committee meetings Monitor the implementation progress for all projects in HeiTech.	Periodically
Management Integrity Committee meetings Oversee the anti-corruption programme and the implementation of integrity and ethics initiatives in the Group. Review and deliberate complaints or matters escalated via whistleblowing channels.	Quarterly
Technology Working Group meetings Provide direction on the technology adoption and initiatives to be implemented for HeiTech and the customers. Review and address technology issues or concerns that require experts' attention and support.	Quarterly

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

b) Control Activities

HeiTech established a set of policies, procedures and standards that provide the whole organisation with proper guidance for decision making and streamlining the internal processes:

i) Policies and Procedures

The policies and procedures adopted by all supporting departments under business groups / operating divisions / companies of HeiTech Padu Berhad are duly certified under various ISO certifications and subjected to internal quality audit, SIRIM's annual surveillance audit and recertification audit.

ii) Certification and Standards

HeiTech is dedicated to progressively improving its processes and are duly certified to meet the necessary standards for high-quality services, integrity and security. The certifications are:

1) ISO 9001:2015 Quality Management System ("QMS")

HeiTech has achieved and conformed to QMS certification since 1997. The scope of the certification covers:

- Provision of Network Services (front end and back end) covering WAN & LAN Installation and Maintenance Services;
- Provision of Helpdesk Support Services;
- Application Development and Maintenance Services Projects;
- Provision of Sales Acquisition; and
- Provision of Corporate Services to the Business Groups / Operating Divisions / Companies of HeiTech Padu Berhad.

2) ISO 37001:2016 Anti-Bribery Management System ("ABMS")

Achieved and conformed to ABMS certification since 2020. The scope of certification covers:

- Provision of Sales Acquisition; and
- Provision of Support Services covering Finance, Procurement, Legal, Human Resource, Corporate Communication, Project Monitoring & Compliance and Organisational Practices.

3) ISO 27001:2013 Information Security Management System ("ISMS")

Achieved and conformed to ISMS certification since 2006. The scope of certification covers:

- Padu*Net Nodes Infrastructure;
- Business Recovery Management Services;
- Internet Data Centre Services;
- HeiTech IT Operation Services;
- Call Centre Operations Services;
- Cloud Services; and
- Security Operation Centre

4) ISO 20000-1:2018 Service Management System ("SMS")

Achieved and conformed to SMS certification since 2009. The scope of certification covers:

- Wide Area Network Services ("WAN");
- Local Area Network & Security Services ("LANSec");
- HeiTech IT Operation Services ("HIOS");
- Data Centre Services ("DCS"); and
- Helpdesk Support Services.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5) ISO 22301:2019 Business Continuity Management System ("BCMS")

Achieved and conformed to BCMS certification since 2018. The scope of certification covers:

- Primary functions on the main products and services in running the business of providing integrated ICT solutions that includes Cloud Services, Business Recovery Management Services ("BRMS"), Wide Area Network ("WAN"), HeiTech IT Outsourcing Services ("HIOS"), Local Area Network and Security Services ("LANSec"), Internet Data Centre Services ("IDC"), Infrastructure Management Services and Call Centre Operation Services ("CCO"); and
- Supporting functions that include Corporate Human Resource, Finance and Procurement Services, Strategic & Corporate Communications, Disaster Recovery Services and Project Management Services.

6) Test Maturity Model Integration ("TMMi")

HeiTech has embarked on a Software Test Process Improvement initiative by adopting TMMi in 2017, and achieved TMMi Level 3 accreditation in 2017, and re-certified at the same level in 2020 and 2023.

TMMi is a framework designed to help organisations assess and improve the maturity of their software testing processes. Implementing TMMi enables HeiTech to create a comprehensive roadmap to systematically enhance testing capabilities, leading to higher-quality software.

TMMi focuses on defect prevention in addition to defect detection, allowing organisation to identify and fix software errors early in the development life cycle. This proactive approach reduces development time, reduces costs, and improves time to market.

Adopting TMMi can help HeiTech establish a structured testing approach, with benefits including:

- Improved software and product quality;
- Increased employee productivity and efficiency; and
- Reduced risks in project management and product failure.

7) Capability Maturity Model Integration ("CMMI®")

The CMMI® for development framework is a globally recognised integrated set of best practices that provides a holistic approach, allowing HeiTech to focus on performance improvement areas for application development. CMMI® process compliance assessments are conducted monthly to evaluate compliance level and identify necessary action(s) for improvement. Implementing a disciplined process within the organisation enhances control over project execution, helping to meet tight project deadlines and maintain quality standards. The CMMI® for Development model assists HeiTech in establishing and standardising efficient and effective processes. A well-designed, well-developed, and properly followed process increases the ability to meet project goals and improve profitability. The key benefits associated with the CMMI® for Development model include:

- Increased Quality;
- Improved Product Lifecycle Management, meeting customer expectations;
- Improved Time-to-Market, ensuring products and services are delivered quickly and efficiently with little to no re-work; and
- Gain Organisational Agility, leveraging revenue-enhancing and cost-cutting opportunities.

A well-established CMMI® programme also acts as a catalyst for business growth. HeiTech has successfully maintained its CMMI® accreditation since 2006 and is currently accredited at CMMI® for Development v3.0 Maturity Level 3, assessed by the CMMI® Institute in the United States. HeiTech is also one of the eighteen (18) organisations in Malaysia to have achieved and maintained the CMMI® Maturity Level 3 to date.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

8) Payment Card Industry Data Security Standard ("PCI DSS")

HeiTech has maintained PCI DSS certification since January 2017. The PCI DSS is a proprietary information security standard for organisations that handle credit cards from the major card schemes including Visa and MasterCard. The PCI DSS provides a baseline for technical and operational requirements hosting credit card handling organisations. The scope of this certification covers:

- Physical Security for Hosting & Co-Location which focus on Requirement 9 (Implement Strong Access Control Measures); and
- Requirement 12 (Maintain Information Security Policy).

An annual surveillance audit will be carried out by ControlCase LLC, the Qualified Security Assessor Company which is based in the USA.

9) Threat Vulnerability Risk Assessment ("TVRA")

A TVRA is the first step towards creating an effective facility security programme. A well completed TVRA provides a solid, defendable framework for developing a physical security operation at any site, facility, or location. Every organisation has a legal 'duty of care' to provide safe and secure work environments. To comply with this legal requirement, companies create a site or facility security programme that anticipates, prevents, prepares for, responds to, and recovers from any adverse incident.

A TVRA identifies security risks and operational flaws in a data centre to evaluate the amount and type of protection required to secure it. HeiTech was audited for conformity with the Monetary Authority of Singapore's Threat Vulnerability Risk Assessment requirements. HeiTech is in full compliance with all clauses regarding TVRA as stipulated in the Technology Risk Management ("TRM") guidelines 2021.

10) Network Resiliency and Risk Assessment ("NRA")

The term resiliency is most typically used to describe network redundancy and diversity as methods of avoiding service interruption. These approaches often focus on preventing physical damage or failure of various network resources, which would otherwise disrupt essential processes and systems. However, resiliency can also refer to the prevention of logical failures and damage, as well as the ability to survive cyber-attacks. The NRA was carried out with a focus on the HeiTech's WAN connectivity, which is the main backbone connecting the three (3) physical HeiTech data centre sites: HTV (USJ 1, Subang Jaya), HTV2 (Bukit Jelutong), and Etiqa Twin Tower (Jalan Pinang, Kuala Lumpur), based on the common network resilience cause and failure points. HeiTech was audited for conformity with the NRA requirements of Bank Negara Malaysia. HeiTech is in full compliance with all clauses regarding NRA as stipulated in the Risk Management in Technology ("RMiT") guidelines 2020.

11) Telecommunications Infrastructure Standard

Data Centre in HeiTech Village 2 is certified with ANSI/TIA-942-B:2017 Rated 3 and it is Tier IV ready. It is in accordance with the Telecommunications Infrastructure Standard ("TIA 942") for Data Centres, on the following scopes:

- Architecture;
- Mechanical;
- Electrical; and
- Telecom.

An annual surveillance audit will be carried out by EPI Certification Pte. Ltd., an Accredited Certification Body Company which is based in Singapore.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

iii) Defined Business Process and Improvement

Defined business processes are designed to improve the organisation's performance, strengthen key capabilities, and optimise critical business processes, while managing risks that may affect the achievement of business objectives.

HeiTech has developed the following structured processes, based on globally recognised frameworks, to guide process improvement across the organisation:

- Project Management Information System ("PROMISE") - Project management processes based on the Project Management Body of Knowledge ("PMBOK");
- Application Development Information System ("ADVISE") - Application development processes aligned with the CMMI framework; and
- Product Evaluation for Compliance Information System ("PRECISE") - Software testing processes based on the TMMi framework.

These processes are regularly reviewed and updated to ensure alignment with evolving technologies and industry changes. The defined business processes of HeiTech are accessible to all staff through the knowledge portal.

iv) Limits of Authority

Limits of Authority outlines the authorised signatories' authority in contract execution; financial and procurement approvals and execution thereof.

v) Anti-Bribery and Corruption Policy

HeiTech's Anti-Bribery and Corruption Policy ("ABCP") reflects the company's dedication to upholding good governance, integrity, transparency, and an ethical approach in its operations and business activities. This policy document, along with the accompanying procedures, outlines the principles, guidelines, preventative measures, disclosure processes, and recommendations for managing potential bribery and corruption issues that may arise within HeiTech.

HeiTech adopts a zero-tolerance approach towards bribery and corruption and is committed to conduct all business dealings and relationships professionally, fairly, and with integrity. This commitment is supported by obtaining ISO 37001:2016 Anti-Bribery Management System ("ABMS") certification in year 2020. To affirm our commitment, all employees signed a declaration to adhere to the moral and ethical standards adopted by HeiTech and abide the provisions under ABCP and code of business conduct.

The ABCP is communicated to employees and stakeholders through the Employee Integrity Handbook and the Integrity Kit for Business Associates. Additional information and documentation can be found on HeiTech's website at www.heitech.com.my/about/antibribery.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

vi) Whistleblowing Policy and Guidelines

HeiTech's Whistleblowing Policy and Guidelines ("WBP") are designed to uphold the values of transparency, integrity, impartiality, and accountability in all HeiTech's business operations. This policy applies to all employees, business associates, and stakeholders associated with HeiTech.

The objectives of the WBP are to:

- **Govern Reporting:** Provide a clear process for employees and stakeholders to report potential violations or concerns related to laws, regulations, and ethical standards, including issues of illegal activity, embezzlement, and fraud;
- **Response Mechanism:** Establish a structured mechanism for responding to reports of potential violations or concerns to ensure timely and effective resolutions;
- **Retaliation Protection:** Prohibit any form of retaliation against individuals who report potential violations or concerns in good faith; and
- **Record Keeping:** Outline procedures for the retention and management of records and reports related to whistleblowing.

Employees and external parties can report concerns through the following channels:

- **Internal Reporting:** Employees can report potential violations using the DVOC 2.0 mobile application, which ensures confidentiality and anonymity; and
- **External Reporting:** Stakeholders and business associates can submit reports via the HeiTech Corporate website at www.heitech.com.my.

Reports of potential violations or concerns can be made anonymously. HeiTech is committed to maintaining the confidentiality of all reports and to protect whistleblowers.

vii) HeiTech Anti-Corruption Plan ("HACP") Y2024 - Y2026

This is the second 3-Year plan, that has been developed to strengthen our anti-bribery controls that include Adequate Procedures i.e. the T.R.U.S.T Principles. We emphasised adequate control measures through our policies and internal standard operating procedures, in order to protect organisation from potential corporate liability, being the Commercial Organisation as stipulated under Section 17A MACC Act 2009 (Act 694).

The objective of HACP is to set a framework for HeiTech's journey towards strengthening governance and integrity to combat bribery and corruption with the following aspiration and goals:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

viii) Anti-Money Laundering Procedure

Anti-Money Laundering Procedure ("AML") addresses internal AML governance and reiterates HeiTech's commitment to full compliance to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUA"). The procedure outlines the framework for preventing, detecting and reporting money laundering, terrorism financing, and other financial crimes in compliance with Malaysian laws and regulations.

c) Information and Communication

The organisation implements and utilises a range of communication avenues to efficiently distribute important messages promptly and to the appropriate recipients. Internally, these channels include email updates, internal bulletins, social media platforms, and scheduled townhall sessions. Externally, the company website, annual report, investor relations portal, external bulletins, and social media serve as outlets for communicating with external stakeholders.

A Corporate Communications Policy outlines the framework for effective information distribution and ensures that communication throughout the organisation is well-regulated and directed towards meeting the organisation's and stakeholders' needs.

d) Monitoring

HeiTech performed ongoing monitoring activities and evaluations to ensure that each of the components of internal control are present and functioning:

i) Internal Audit

The internal audit function in HeiTech is carried out by Audit & Assurance department ("AA"), with the objective to bring a systematic and disciplined approach in evaluating and assisting in improving the design and effectiveness of the Group's governance, risk management and internal control. AA maintains its impartiality, proficiency and due professional care by having its plans and reports directly to the Audit Committee. In providing an independent and impartial appraisal, the internal auditors are given full and unrestricted access to all records, information and other relevant resources within the Group.

The responsibilities and scope of work of AA are defined in the Internal Audit Charter's Term of Reference, approved by the Audit Committee. AA provides independent assessment on HeiTech's internal control system and attends to ad-hoc audit review as and when requested by the Audit Committee and Management. The results for all audit exercises including follow-up audit reports will be tabled and deliberated in the Audit Committee Meeting.

Defined Key Result Areas ("KRAs") and Key Performance Indicator ("KPIs") for AA were established to manage and oversee the Group's strategic, operational and compliance auditing activities during the year under review. Details on the activities undertaken by AA are set out in the Audit Committee Report.

ii) Corporate Planning

The Corporate Planning Department at HeiTech is responsible for consolidating the business plans of all companies within the HeiTech Group. This department collects and integrates the individual business plans, while overseeing the strategic objectives, financial forecasts, and operational strategies for each entity. The consolidated business plan is then presented, discussed, and approved by HeiTech's Board of Directors.

Additionally, the Corporate Planning Department conducts quarterly reviews of the business plans to monitor and evaluate the performance of each company, ensuring that established targets are met through KPI-based assessments. The department plays a key role in ensuring that all business operations are aligned with HeiTech's vision of being the trusted technology partner that enables customers to realise their goals.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

iii) Organisational Best Practices & IT Management

The Organisational Best Practices & IT Management ("OrBIT") department keeps track of all project-related metrics including team performance and task duration, identifying potential problems and identifying corrective actions necessary to ensure that the project is within scope, on budget and meets the specified deadlines. OrBIT oversees all tasks and activities and ensures they are being implemented as planned. This is done by reviewing and analysing Monthly Project Reports submitted by the project teams in the organisation. These are then summarised into an Executive Management Report. The report is escalated to the Management and necessary action will be taken, where applicable.

OrBIT closely monitors projects' process compliance by analysing project deliverables to ensure completeness and conformity to HeiTech's defined processes and CMMI. This activity is carried out on a monthly basis. The findings are then shared with the project teams via the Process Compliance Report for further corrective action and process improvement.

OrBIT's team also performs periodic internal audit activities related to all ISOs and other de facto standards adhered by HeiTech.

OrBIT is also responsible to ensure HeiTech's IT policies remain relevant, continuously updated and consistently enforced throughout HeiTech. OrBIT monitors and ensure all internal systems to be operated with minimal downtime and all systems/ infrastructure are in good condition to support HeiTech existing and future business needs.

iv) Legal and Regulatory Compliance

Guided by HeiTech's core values and Code of Business Conduct, the Legal department is fully committed to ensuring that compliance is a central pillar to the Management and an integral part of HeiTech's corporate culture and business processes. HeiTech pledges to do business the right way and comply with all applicable laws and regulations in order to effectively manage legal compliance, which embeds and integrates compliance assurance and reporting. HeiTech strives to achieve outstanding performance, whilst maintaining the highest level of ethical integrity. The tone on regulatory compliance is clear and consistently reiterated from the top of the organisation.

The Legal department has internal policies, processes and procedures in reviewing the contract formation and monitoring contractual performance to minimise risks towards HeiTech's business operations. HeiTech recognises the importance of protecting and securing shareholders' and customers' personal data. HeiTech has taken steps to be fully compliant with the Personal Data Protection Act 2010 ("PDPA 2010").

(v) Human Capital Development and Training

Human capital development and training activities are driven from the assessment conducted on employees' performance and competencies against required competencies, skills, behavior and attitude. The Performance Management and Development Review policy and procedure is established to ensure good performance management and continuous improvement through ongoing appraisal and development of employees.

HeiTech uses a Balanced Scorecard approach to derive the overall strategic business goals of the Group. Using the Balanced Scorecard, KPIs are formulated for individual employees, which focuses on their performance metrics. The individual employee's competencies are appraised through Competencies Assessment & Development ("CAD"). The CAD indicates the competency level of the individual employee against the required competency.

The outcomes of the individual employee's CAD determine the competency gaps which will trigger the required training and development programme to address the gaps. HeiTech's training and development programs are planned and executed annually, guided by Competency Development Policy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Group for the year ended 31 December 2024. Subsequently, they will report to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the risk management and internal control systems that are in place for the year under review and up to the date of approval of this statement is adequate and effective to safeguard shareholders' investment and the Group's assets.

HeiTech continues to take the necessary measures to ensure that the system of internal control is in place and functioning effectively.

This statement is made in accordance with a resolution of the Board dated 25th March 2025.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of systems integration, network related services, data centre management, disaster recovery services and other information technology related services. Under the Communications and Multimedia Act (CMA) 1998 Framework, the provision of network related services and internet data centre services are licensed as Network Services Provider Individual License (NSP (I)) and Application Service Provider Class License (ASP (c)) respectively.

The principal activities of the subsidiaries are described in Note 15 to the financial statements.

FINANCIAL RESULTS

	Group	Company
	RM'000	RM'000
Profit for the year	7,058	4,046

Profit attributable to:

Owners of the parent	6,706	4,046
Non-controlling interests	352	-
	7,058	4,046

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS' REPORT

ISSUE OF SHARES

During the financial year, the issued and paid up share capital of the Company was increased from RM117,751,000 to RM136,652,000 by way of issuance of 10,122,520 ordinary shares, at an issue price ranging from RM1.73 to RM2.01 per ordinary shares via Private Placement to eligible investors for a total cash consideration of RM18,901,000 for working capital purposes.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Sri Mohd Hilmey Bin Mohd Taib **

Sulaiman Hew Bin Abdullah **

Wan Ainol Zilan Binti Abdul Rahim **

Datuk Mohd Radzif Bin Mohd Yunus **

Hamzah Bin Mahmood

Razalee Bin Amin

Chong Seep Hon

Salmi Nadia Binti Mohd Hilmey**

(Appointed on 3 April 2024/Resigned on 31 December 2024)

Sandraruben Neelamaghram**

(Appointed on 3 April 2024)

Datuk Mohd Jimmy Wong Bin Abdullah

(Appointed on 3 April 2024)

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor

(Retired on 2 October 2024)

*** These directors are also the directors of certain subsidiaries of the Company.*

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Ahmad Nasrul Hakim Bin Mohd Zaini

Abdul Halim Bin Md. Lassim

Ahmad Fathony Zakaria

Azuar Fariz Bin Adnan

Noor Azhar Bin Raffie

Muhammad Ramizu Bin Mustaffa

Nik Maimun Binti Nik Sulaiman

DIRECTORS' REPORT

DIRECTORS (CONT'D)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are (cont'd):

Abdul Allim Shah Bin Mohd Sharif	
Dato' Mohd Fadzli Bin Yusof	
Teo Kock Kee	
Dato' Johan Bin Yusof	
Gan Fong Ye	
Loo Yoong Haw @ Vanchai Virochpokha	
Muhamad Izzudin Azahari	
Joshua Samuel Smith	
Dato' Rodzila @ Rudy Bin Che Lamin	(Appointed on 21 January 2025)
Dato' Sulaiman Bin Mohd Tahir	(Appointed on 19 March 2025)
Hasrul Azuan Bin Mohd Yusof	(Appointed on 31 December 2024/Resigned on 19 March 2025)
Ahmad Jefri Bin Abdul Rashid	(Resigned on 28 February 2025)
Datuk Johar Bin Che Mat	(Resigned on 12 February 2025)
Abdullah Bin Ahmad	(Resigned on 1 January 2025)
Zaharudin Bin Daud	(Resigned on 1 October 2024)
Dato' Ghazali Bin Awang	(Resigned on 26 August 2024)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits are as follows:

	Group	Company
	RM'000	RM'000
Fees	2,131	1,887
Other emoluments	474	474
Benefits-in-kind	93	93
	2,698	2,454

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains on a Group basis, a directors' and officers' liability insurance for any legal liability incurred by the directors or officers in the discharge of their duties while holding office for the Group and the Company. The total amount of sum insured for directors and officers of the Group for the financial year amounted to RM35,000,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. No payment has been made to indemnify the directors or officers for the financial year ended 31 December 2024.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the directors who held office at the end of the financial year held any shares or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares		
	1 January 2024	Bought	31 December 2024
The Company			
<i>Direct interest</i>			
Dato' Sri Mohd Hilmey Bin Mohd Taib	3,866,484	229,300	(100,000)
			3,995,784
<i>Indirect interest</i>			
<u>Held through Padujade Corporation Sdn Bhd</u>			
Dato' Sri Mohd Hilmey Bin Mohd Taib	14,342,328	-	(105,000)
			14,237,328
<u>Held through Gerbang Mahligai Sdn Bhd</u>			
Hamzah Bin Mahmood	292,000	-	(132,000)
			160,000
HeiTech Academy Sdn Bhd			
- a fellow subsidiary			
<i>Direct interest</i>			
Dato' Sri Mohd Hilmey Bin Mohd Taib	1	-	-
			1

Dato' Sri Mohd Hilmey Bin Mohd Taib by virtue of his interest in shares in the Company is also deemed to have interests in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and satisfied themselves that there are no known bad debts to be written off and that adequate allowance for expected credit losses has been made; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off bad debts or the amount of the allowance for expected credit losses in the financial statements of the Group and the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Al Jafree Salihin Kuzaimi PLT	496	315
Other auditors	13	-
	509	315

To the extent permitted by law, the Company has agreed to indemnify its auditors, Al Jafree Salihin Kuzaimi PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Al Jafree Salihin Kuzaimi PLT for the financial year ended 31 December 2024.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 25 March 2025.

Sandraruben A/L Neelamaghan
Director

Subang Jaya, Selangor

Dato' Sri Mohd Hilmey Bin Mohd Taib
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, **Sandraruben A/L Neelamaghan** and **Dato' Sri Mohd Hilmey Bin Mohd Taib**, being two of the directors of **HeiTech Padu Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 25 March 2025.

Sandraruben A/L Neelamaghan

Director

Dato' Sri Mohd Hilmey Bin Mohd Taib

Director

Subang Jaya, Selangor

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT 2016

I, **Ahmad Nasrul Hakim Bin Mohd Zaini**, being the officer primarily responsible for the financial management of **HeiTech Padu Berhad**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **Ahmad Nasrul Hakim Bin**)
Mohd Zaini at **Subang Jaya** in)
Selangor Darul Ehsan on 25 March 2025)

Before me,

Ahmad Nasrul Hakim Bin Mohd Zaini
CA 30697

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of HeiTech Padu Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policies, as set out on the accompanying pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the key audit matters
<p>1) Revenue recognition</p> <p>In accordance with MFRS 15 Revenue from Contracts with Customers, the analysis of whether the contracts comprise one or more performance obligations, allocation of transaction prices to one or more performance obligations and the determination whether the performance obligations are satisfied over time or at a point in time are areas requiring significant management judgement.</p> <p>There is a risk of error in the measurement and timing of revenue recognition due to either inappropriate assessment of the performance obligations and or inaccurate allocation of transaction price to various performance obligations.</p> <p>Furthermore, significant judgement is required in estimating the cost to complete the performance obligation satisfied over time using the input method.</p> <p>The Group's accounting policies, judgments and disclosures on revenue recognition based on percentage of completion method are disclosed in Note 2.25, Note 3.1(a) and Note 4 to the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We walked through the process and tested the Groups' internal controls on the revenue recognition and tested the operating effectiveness of the controls; • We have agreed the contract values in the input method calculation to the latest contracts and variation orders; • We have agreed the budget in the percentage of completion calculation to the budget approved by the subcommittee of the board meetings; • We evaluated the appropriateness of the basis of the approved budget by the subcommittee of the board meetings with the management and discussed and challenged the significant basis applied in their budget; • We have selected samples based on materiality to vouch for the actual cost incurred during the year to ensure existence and completeness of the percentage of completion; • We have reviewed the management's assessments on cost overruns, the provision for foreseeable losses, and the liquidated ascertained damages for the projects on sampling basis; • We have obtained the statements of accounts from active creditors to ensure the completeness of the actual cost recorded; • We have agreed the revenue recognised during the year to the actual billings issued to the customers subsequent to the year end to ensure the completeness of the revenue recognised during the year; • We have re-calculated the percentage of completion to ensure mathematical accuracy;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the key audit matters
1) Revenue recognition (cont'd)	<p>Our procedures included, amongst others (cont'd):</p> <ul style="list-style-type: none"> • We have performed the cut-off tests to ensure that revenue recognised for the financial year are recognised in the correct accounting period; and • We have reviewed the adequacy of the disclosures of the revenue recognition in the audited financial statements.
2) Impairment of intangible assets <p>In accordance with MFRS 136: Impairment of Assets, the Group is required to perform impairment test for its cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal ("FVLCD") and value in-use ("VIU"). The standard requires goodwill to be allocated to the respective CGUs and tested for impairment annually.</p> <p>The Group allocated its goodwill to one CGU and estimated the recoverable amount CGU based on VIU. Estimating the VIU of the CGU involves estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate.</p> <p>We identified this as our area of audit focus as the impairment assessment involves significant judgement and estimates that are highly subjective.</p> <p>The Group's accounting policies and disclosures on intangible assets are disclosed in Note 2.8, Note 2.11 and Note 14 to the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> (i) In reviewing the impairment assessments based on VIU model, our procedures included, amongst others: <ul style="list-style-type: none"> • We assessed the key assumptions used in the projected revenue growth and operating margins by comparing to the actual revenue growth and operating margins in previous years; • We assessed the reliability of the cash flow projections by assessing the historical accuracy of management's estimates of profits (and the resulting cash flows) for the respective CGUs; • We performed sensitivity analysis on the key inputs of the cash flow projections and challenged management on the outcome of the assessment; and • We assessed the appropriateness of the disclosures in the notes to the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)**

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement by Directors, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2024, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HEITECH PADU BERHAD (INCORPORATED IN MALAYSIA)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS

AHMAD SYAHAZAN BIN YAACOB
NO. 03696/10/2026 J
CHARTERED ACCOUNTANT

Dated: 25 March 2025

Selangor, Malaysia

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	336,971	277,862	295,836	237,906
Other income	5	13,918	2,546	6,129	12,326
Employee benefits expense	6	(88,811)	(87,816)	(73,594)	(73,294)
Purchase of hardware and software		(92,609)	(51,096)	(92,609)	(51,096)
Lease line rental		(23,306)	(23,635)	(23,306)	(23,637)
Maintenance costs		(12,180)	(14,495)	(12,180)	(14,495)
Bulk mailing processing charges		(10,107)	(7,454)	-	-
Project implementation costs		(61,394)	(43,549)	(52,880)	(31,162)
Depreciation and amortisation		(14,614)	(14,219)	(12,748)	(12,562)
Net (impairment)/reversal of impairment of financial assets		(4,097)	(395)	(4,049)	73
Other expenses		(32,614)	(24,828)	(24,802)	(28,918)
Finance costs	8	(5,630)	(4,315)	(5,300)	(4,070)
Share of results of associate		-	(39)	-	-
Profit before tax	9	5,527	8,567	497	11,071
Income tax credit/(expense)	10	1,531	(1,399)	3,549	(288)
Profit for the year		7,058	7,168	4,046	10,783
Profit attributable to:					
Owners of the parent		6,706	7,160	4,046	10,783
Non-controlling interests		352	8	-	-
		7,058	7,168	4,046	10,783
Profit per share attributable to owners of the parent (sen per share):					
Basic/diluted	11	6.02	7.07		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year	7,058	7,168	4,046	10,783
Other comprehensive income				
<i>Items that not to be reclassified to profit or loss in subsequent year (net of tax):</i>				
Revaluation of lands and buildings	2,946	50,236	2,946	50,236
<i>Items that may be reclassified to profit or loss in subsequent year (net of tax):</i>				
Exchange differences on translation of foreign operations	14	(311)	-	-
Total comprehensive income for the year	10,018	57,093	6,992	61,019
Total comprehensive income attributable to:				
Owners of the parent	9,666	57,085	6,992	61,019
Non-controlling interests	352	8	-	-
	10,018	57,093	6,992	61,019

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

POSITION AS AT 31 DECEMBER 2024

	Note	Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Assets						
Non-Current Assets						
Property, plant and equipment	12	119,067	101,385	109,486	100,518	
Right-of-use assets	13	6,271	7,190	5,751	6,280	
Intangible assets	14	15,051	18,711	8,643	10,439	
Investment in subsidiaries	15	-	-	17,609	17,609	
Investment in associates	16	-	1,141	-	470	
Investment in joint operation	17	243	350	765	350	
Other investments	18	3,080	3,080	2,470	2,470	
Contract cost assets	23	901	6,544	-	5,886	
Lease receivables	31	34,136	53,232	34,136	53,232	
		178,749	191,633	178,860	197,254	
Current Assets						
Inventories	21	26	224	-	-	
Trade and other receivables	22	53,898	42,469	63,997	44,712	
Contract assets	19	107,359	35,263	104,471	34,103	
Contract costs assets	23	135,386	81,479	135,185	81,140	
Prepayments		1,141	1,137	-	-	
Tax recoverable		3,697	3,992	3,578	3,268	
Cash and bank balances	24	52,163	54,259	34,432	45,312	
Lease receivables	31	18,578	18,803	18,578	18,803	
		372,248	237,626	360,241	227,338	
Asset classified as held for sale	25	-	3,785	-	-	
		372,248	241,411	360,241	227,338	
Total Assets		550,997	433,044	539,101	424,592	

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
POSITION AS AT 31 DECEMBER 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Equity and Liabilities					
Current Liabilities					
Contract liabilities	19	11,511	11,642	6,739	6,311
Loans and borrowings	26	188,329	110,451	187,851	108,745
Lease liabilities	27	16,298	17,823	16,041	17,527
Trade and other payables	28	117,708	87,228	128,373	95,533
Tax payable		306	10	-	-
		334,152	227,154	339,004	228,116
Net Current Assets/(Liabilities)		38,096	14,257	21,237	(778)
Non-Current Liabilities					
Deferred tax liabilities	20	2,559	5,677	2,428	5,582
Loans and borrowings	26	5,775	6,869	-	5,886
Lease liabilities	27	26,253	39,820	25,956	39,188
		34,587	52,366	28,384	50,656
Total Liabilities		368,739	279,520	367,388	278,772
Net Assets		182,258	153,524	171,713	145,820
Equity attributable to owners of the parent					
Share capital	29	136,652	117,751	136,652	117,751
Accumulated losses		(15,009)	(21,930)	(18,121)	(22,167)
Foreign currency translation reserve	30	(1,190)	(1,204)	-	-
Revaluation reserve		53,182	50,236	53,182	50,236
		173,635	144,853	171,713	145,820
Non-controlling interests		8,623	8,671	-	-
Total Equity		182,258	153,524	171,713	145,820
Total Equity and Liabilities		550,997	433,044	539,101	424,592

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

← Attributable to owners of the parent →
→ Non-distributable → Distributable

Group	Share capital (Note 29) RM'000	Foreign currency translation reserve (Note 30) RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total equity attributable to owners of the parent RM'000	Total equity attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024	117,751	(1,204)	50,236	(21,930)	144,853	8,671	153,524	
Total comprehensive income	-	14	2,946	6,706	9,666	352	10,018	
Issuance of share capital	18,901	-	-	-	18,901	-	-	18,901
Dividend paid to minority interest	-	-	-	-	-	(400)	(400)	
Reconciliation of investment in joint operation	-	-	-	215	215	-	215	
At 31 December 2024	136,652	(1,190)	53,182	(15,009)	173,635	8,623	182,258	
At 1 January 2023	117,751	(893)	-	(29,090)	87,768	9,063	96,831	
Total comprehensive income	-	(311)	50,236	7,160	57,085	8	57,093	
Dividend paid to minority interest	-	-	-	-	-	(400)	(400)	
At 31 December 2023	117,751	(1,204)	50,236	(21,930)	144,853	8,671	153,524	

STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	← Non-distributable →		Distributable		Total equity RM'000
	Share capital (Note 29) RM'000	Revaluation reserve RM'000	Accumulated losses RM'000		
Company					
At 1 January 2024	117,751	50,236	(22,167)	145,820	
Total comprehensive income	-	2,946	4,046	6,992	
Issuance of share capital	18,901	-	-	18,901	
At 31 December 2024	136,652	53,182	(18,121)	171,713	
At 1 January 2023	117,751	-	(32,950)	84,801	
Total comprehensive income	-	50,236	10,783	61,019	
At 31 December 2023	117,751	50,236	(22,167)	145,820	

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities				
Profit before tax	5,527	8,567	497	11,071
<u>Adjustments for:</u>				
Gain on disposal of property, plant and equipment	(40)	(278)	(41)	(15)
Gain on disposal of assets held for sale	(10,170)	(770)	-	-
Loss/(gain) on lease modification	150	(41)	58	(51)
Gain on net investment in sublease	-	(24,299)	-	(24,299)
Hibah income	(552)	(603)	(407)	(482)
Finance income on lease receivables	(785)	(121)	(785)	(121)
Finance costs	5,630	4,315	5,300	4,070
Amortisation of intangible assets	2,624	1,218	1,796	602
Depreciation of property, plant and equipment	8,136	9,443	7,362	8,642
Depreciation of right-of-use assets	3,888	3,558	3,590	3,318
Reversal of impairment loss:				
- Trade receivables	(176)	(609)	(175)	(543)
- Other receivables	-	-	-	(1,183)
Impairment loss on:				
- Trade receivables	1,409	915	1,359	1,566
- Other receivables	2,864	89	2,865	87
- Intangible assets	1,702	23	-	-
- Investment in subsidiaries	-	-	-	8,784
- Investment in associates	1,141	-	470	-
- Contract cost assets	2,475	778	2,475	778
Inventories written down	37	21	-	-
Written off on:				
- Amount due from subsidiary	-	-	-	300
- Software development	82	-	-	-
Share of results of associate	-	39	-	-
Total adjustments	18,415	(6,322)	23,867	1,453
Operating cash flows before changes in working capital	23,942	2,245	24,364	12,524

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities (cont'd)				
<u>Changes in working capital:</u>				
Inventories	161	(10)	-	-
Trade and other receivables	(15,526)	(11,190)	(23,334)	(5,110)
Contract assets	(72,096)	19,743	(70,368)	(787)
Contract costs assets	(50,739)	(958)	(50,634)	19,305
Prepayments	(4)	(514)	-	-
Contract liabilities	(131)	5,774	428	1,081
Trade and other payables	31,638	14,977	33,226	86
Total changes in working capital	(106,697)	27,822	(110,682)	14,575
Cash flows (used in)/generated from operations	(82,755)	30,067	(86,318)	27,099
Interest received	785	121	785	121
Interest paid	(669)	(594)	(605)	(569)
Tax refund	-	33	-	33
Tax paid	(1,317)	(1,578)	(236)	(236)
Net cash flows (used in)/generated from operating activities	(83,956)	28,049	(86,374)	26,448
Investing activities				
Purchase of property, plant and equipment	(22,742)	(9,212)	(13,067)	(8,501)
Hibah received	552	603	407	482
Proceeds from disposal of property, plant and equipment	231	347	43	28
Proceeds from disposal of assets held for sale	13,955	2,262	-	-
Software development costs incurred	(748)	(5,961)	-	(4,063)
Investment in joint operation	(415)	-	(415)	-
Net cash flows used in investing activities	(9,167)	(11,961)	(13,032)	(12,054)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financing activities				
Proceeds from issuance of ordinary shares	18,901	-	18,901	-
Net proceeds from/(repayment of) loans and borrowings	64,489	(851)	59,920	(327)
Lease payment received	19,321	6,823	19,321	6,823
Dividends paid to non-controlling interest	(400)	(400)	-	-
Net deposits upliftment/(placement) to securities for bank borrowings	2,194	(3,367)	1,347	(3,512)
Repayment of lease liabilities	(18,632)	(8,587)	(18,223)	(8,303)
Interest paid	(4,961)	(3,721)	(4,695)	(3,501)
Net cash flows generated from/(used in) financing activities	80,912	(10,103)	76,571	(8,820)
Net (decrease)/increase in cash and cash equivalents	(12,211)	5,985	(22,835)	5,574
Effect of exchange rate changes on cash and cash equivalents	14	(220)	-	-
Cash and cash equivalents at 1 January	10,078	4,313	6,515	941
Cash and cash equivalents at 31 December (Note 24)	(2,119)	10,078	(16,320)	6,515

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

HeiTech Padu Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15, Menara Insignia, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor Darul Ehsan.

The principal activities of the Company are the provision of systems integration, network related services, data centre management, disaster recovery services and other information technology related services. Under the Communications and Multimedia Act (CMA) 1998 Framework, the provision of network related services and internet data centre services are licensed as Network Services Provider Individual License (NSP (I)) and Application Service Provider Class License (ASP (c)) respectively.

Other information relating to the subsidiaries are described in Note 15.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year except as follows:

The Group and the Company adopted the following standards and amendments for the first time for the financial year beginning on 1 January 2024.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current) and (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 16: Lease (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 107 and MFRS 7: Disclosure of Supplier Finance Arrangements	1 January 2024

The adoption of the above mentioned standards and amendments did not have any material financial impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Standards and amendments issued but not yet effective

The standards and amendments that have been issued but not yet effective up as of the date of issuance of the Group and the Company's financial statements are as follow:

Descriptions	Effective for annual periods beginning on or after
Amendment to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendment to MFRS 9 and MFRS 7: (Classification and Measurement of Financial Instruments) and (Contracts Referencing Nature-dependent Electricity)	1 January 2026
Amendment to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendment to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 January 2027
Amendment to MFRS 10 and MFRS 128: Sale or Contribution of Assets between Investor and its Associate or Joint Venture	Deferred

The Group and the Company intends to adopt the above mentioned standards and amendments when they become effective. The adoption is not expected to have any material impact on the financial statements of the Group and the Company, except as disclosed below:

A) MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit and loss

MFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. MFRS 18 also requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS 18.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net identifiable assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8(a).

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Foreign currency (cont'd)

(b) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of property, plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (cont'd)

Freehold land and building are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed by professional independent valuer with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Buildings	2% - 10%
Motor vehicles	20%
Machinery, office equipment, furniture and fittings	6% - 20%
Computers and network equipment	25% - 33%
Renovation	15%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****2.8 Intangible assets (cont'd)****(a) Goodwill (cont'd)**

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

Software development expenditure

Software development expenditure comprises purchased software, manpower and related overhead incurred directly in the development of computer software. Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised when the Group and the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project (ranging from 5 to 15 years) on a straight line basis.

2.9 Investment in subsidiaries

A subsidiary is an entity over which the Group has:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.11. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.10 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Investments in associates and joint ventures (cont'd)

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates and joint ventures are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.11 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets (cont'd)

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified at amortised cost (debt instruments):

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost are disclosed in Note 19, Note 22 and Note 24.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it have retained the risks and rewards of ownership. When it have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Derecognition (cont'd)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company applied a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For contract cost, impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group and the Company expect to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group and the Company shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group and the Company shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 Impairment of Assets to that cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management, if any. For the deposits pledged to secure any bank borrowings, the Group and the Company did not include the deposits as a part of cash and cash equivalents.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sales.

2.16 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short term leases and leases of low-value-asset. The Group and the Company recognise lease liabilities to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise ROU assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised. Initial direct costs, incurred, and lease payments made at or before commencement date less any lease incentives received. ROU assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased assets transfer to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease terms reflect the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments), a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Leases (cont'd)

As a lessee (cont'd)

(c) Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for the short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise lease payments associated with these leases as an expense over the lease term.

(d) Extension options

The Group and the Company, in applying their judgement, determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that creates an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

As a lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company derecognise the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2.13 on impairment of financial assets). In addition, the Group and the Company review regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Leases (cont'd)

As a lessor (cont'd)

Operating leases

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Sublease classification

When the Group or the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lessee, not with reference to the underlying asset.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15. A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

2.21 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.21 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Service Tax ("SST")

SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable as SST is not recoverable.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.22 Segment reporting

For management purposes, the Group and the Company are organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

The Group organised the business units based on its products and services, and has three reportable operating segments as follows:

(i) Technology Market Group (TMG)

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

(ii) Investment Market Group (IMG)

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

(iii) Niche Market Group (NMG)

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

2.23 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.24 Fair value measurements (cont'd)

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.25 Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax or sales and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.25 Revenue from contracts with customers (cont'd)

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below (cont'd):

(b) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

If the consideration in a contract includes a variable amount, the Group and the Company estimate the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(d) Allocate the transaction price to the performance obligation in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) the Group and the Company satisfies a performance obligation

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance obligation completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions are met, revenue is recognised over time at which the performance obligation is satisfied.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.25 Revenue from contracts with customers (cont'd)

For performance obligations that the Group and the Company satisfy over time, the Group and the Company determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's and the Company's effort and the transfer of service to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.1(a) and Note 3.2(c).

The following describes the performance obligation in contracts with customers:

(a) System application and development and engineering works

The Group and the Company involve in the system application and development and engineering works, in which the Group and the Company consider whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to system application development, the Group and the Company are responsible for the overall management of the project and identifies various goods and services to be provided, including project management, procurement of hardware and software, system design, system deployment and testing, system installation and integration. In such contracts, the Group and the Company determined that the goods and services are not distinct and generally accounts for them as a single performance obligation. Depending on the terms of each contract, the Group and the Company determined whether control is transferred at a point in time or over time.

(b) Rendering of services

The Group and the Company provide maintenance services, software support and license fee and disaster recovery and facility management services. These services represent a series of daily services that are individually satisfied over time because the customers simultaneously receive and consume the benefits provided by the Group and the Company. The Group and the Company apply the time elapsed method to measure progress.

(c) Mailing and document processing services

The Group provide mailing and document processing services, in which the performance obligation is satisfied upon completion of services and acceptance by the customer.

(d) Contract costs

The Group and the Company incur costs to fulfil a contract with a customer. The Group capitalises the incremental costs of obtaining a contract that meet criteria in MFRS 15. Costs incurred by the Group and the Company to fulfil a contract prior to the commencement of its performance (e.g., tendering costs) are mostly general and administrative expenses that are expensed as incurred.

Any capitalised contract costs assets is amortised on a systematic basis that is consistent with the Group's and the Company's transfer of the related goods or services to the customer. Capitalised contract costs are subject to an impairment assessment at the end of each reporting period. Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.25 Revenue from contracts with customers (cont'd)

The following describes the performance obligation in contracts with customers (cont'd):

(e) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and the Company perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's and the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.12.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company perform under the contract.

(f) Warranty obligations

The Group and the Company provide warranty beyond fixing defects that existed at the time of sale as requested by the customers. These service-type warranties are sold either separately or bundled together with the sale of system application and development. Contracts for bundled system application and development and a service type warranty comprise two performance obligations because the promises to transfer the system and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.26 Related parties

A party is related to an entity if:

- (i) directly or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the entity (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity.
- (ii) directly the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is venture;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv); and
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Revenue from contracts with customers

The Group and the Company apply the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Judgements made in applying accounting policies (cont'd)

(a) Revenue from contracts with customers (cont'd)

Identifying performance obligations

For contracts relating to system application development, the Group and the Company are responsible for the overall management of the project and identifies various goods and services to be provided, including project management, procurement of hardware and software, system design, system deployment and testing, system installation and integration. In such contracts, the Group and the Company determined that the goods and services are not distinct and generally accounts for them as a single performance obligation.

Determining the timing of satisfaction of performance obligation

For system application and development revenue and engineering works, the Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group and the Company considered the terms of the contracts entered into with customers.

For contracts that meet the over time recognition criteria, the Group and the Company determined that the input method is the best method in measuring progress of the development because there is direct relationship between the Group's and the Company's effort (i.e., resources consumed, labour hours expended and costs incurred) and the transfer control of goods and services to the customer.

Consideration of significant financing component in a contract

For contracts involving the system application and development revenue and engineering works recognised over time, customers generally make progress payments as work goes on. Generally, the Group and the Company concluded that there is no significant financing component for those contracts as the length of time between when the customers pays for the asset and when the Group and the Company transfer the asset to the customer will be one year or less.

Determining method to estimate variable consideration and assessing its constraint

The contracts for the system application and development revenue and engineering works include delay penalties that give rise to variable consideration. Development monitoring is a constant and ongoing process that can identify potentially serious delays in a project. In estimating the variable consideration, the Group and the Company are required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Impairment of goodwill, investments in subsidiaries and software development cost

Goodwill is tested for impairment annually and at other times when such indicators exist. The Group also assesses at each reporting date whether there is any objective evidence that its investments in subsidiaries and software development expenditure require an impairment. This requires an estimation of the recoverable amount based on value in use or fair value less costs of disposal of the cash-generating units to which the goodwill is allocated.

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate and long term growth rate in order to calculate the present value of those cash flows.

The carrying value of goodwill, the key assumptions applied in the impairment assessment of goodwill, software development expenditure and sensitivity analysis to changes in the assumptions are further explained in Note 14, while the carrying amount of investments in subsidiaries is disclosed in Note 15.

(b) Provision for expected credit losses of trade receivables, other receivables and contract assets

The Group and the Company use a provision matrix to calculate ECLs for trade receivables, other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group and the Company historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Company's contract assets and trade receivables are disclosed in Note 19 and Note 22 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Measurement of progress when revenue is recognised over time

Certain contracts with customers are bundled packages that may include sales of managed services, hardware, software and maintenance and support services. The Group accounts for products and services as separate performance obligations if they are distinct promises of goods and services, i.e. if a product or service is separately identifiable from other item in the bundled package and if a customer can benefit from it separately. The Group exercises judgement to identify if products and services within the bundled package are distinct performance obligations.

The Group uses estimates and judgements in determining the amount and timing of revenue recognised, particularly for the allocation of transaction price to the performance obligations identified under the contract by referring to their standalone selling prices. Revenue for solution services are recognised over time based on cost plus expected margin under the input method. This method is dependent on the estimated cost of each performance obligation in the contract. The Group exercises judgement when determining the appropriate estimation of costs that best reflects the progress of completion and are aligned with key acceptance stages identified within the contracts.

The timing of revenue recognition may differ from the timing of billing to customers. When the services rendered by the Group exceeds the payment, a contract asset is recognised. In determining the impact of significant financing component for the contract balances, the Group had used judgement to anticipate the expected timing between revenue recognition and billing. The billings milestones vary between customers based on the contract terms. The actual timing for the billing may differ due to subsequent changes in specific risk and performance of the actual contract terms.

The carrying amounts of contract assets and liabilities of the Group and the Company are disclosed in Note 19.

(d) Useful lives of property, plant and equipment

The cost of property, plants and equipments are depreciated on a straight-line basis over the property, plant and equipments estimated useful lives. Management estimates the useful lives of these property, plant and equipments (excludes freehold land and building) to be within 3 to 17 years. The carrying amount of the Group's property, plant and equipments at 31 December 2024 was RM119,067,000 (2023: RM101,385,000) as disclosed in Note 12 to the financial statements.

(e) Useful lives of software development costs

Software development costs are amortised on a straight-line basis over the estimated useful lives. The estimates for useful lives and amortisation for the software development costs are based on the period of expected sales from the related project. Management estimates the useful lives of these software development costs to be within 5 to 15 years. Changes in the expected level of usage and technological development could impact the economic useful lives of these assets, therefore future amortisation charges could be revised.

The carrying amounts of software development costs of the Group and the Company are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(f) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, capital allowances and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

(g) Valuation of land and building

Accumulated depreciation and impairment losses recognised after the date of the revaluation. In addition, any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve. The Group and the Company have engaged independent professional valuers to determine fair value in the previous financial year. For freehold land and building the valuers used a valuation technique based on comparison approach with adjustments for differences.

Further details on freehold land and building may be found at Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. REVENUE

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers. The operating segments have been disclosed in Note 39 to the financial statements.

Group

31 December 2024

Segments	TMG RM'000	IMG RM'000	NMG RM'000	Total RM'000
Type of goods or services				
Malaysian Communications and Multimedia Commission (MCMC) Licensable Activities				
Network related services	53,573	-	-	53,573
System application and development	29,599	376	39,374	69,349
Maintenance charges	90,273	1,086	5,284	96,643
Disaster recovery and facility management services	17,108	-	-	17,108
Managed security services	33,315	-	-	33,315
Engineering works	-	-	5,096	5,096
Mailing and document processing services	-	17,624	-	17,624
Database management services	-	12,698	-	12,698
Software support and licence fees	408	-	-	408
Smart parking services	-	16,147	-	16,147
Others	7,205	6,943	862	15,010
	177,908	54,874	50,616	283,398
Total revenue from contracts with customers	231,481	54,874	50,616	336,971
Geographical markets				
Malaysia	231,481	54,874	50,616	336,971
Timing of revenue recognition				
Goods transferred at a point in time	7,205	37,265	862	45,332
Services transferred over time	224,276	17,609	49,754	291,639
Total revenue from contracts with customers	231,481	54,874	50,616	336,971

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

4. REVENUE (CONT'D)

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers. The operating segments have been disclosed in Note 39 to the financial statements (cont'd):

Group (cont'd)

31 December 2023

Segments	TMG RM'000	IMG RM'000	NMG RM'000	Total RM'000
Type of goods or services				
Malaysian Communications and Multimedia Commission (MCMC) Licensable Activities				
Network related services	42,330	-	-	42,330
System application and development	38,381	508	2,639	41,528
Maintenance charges	61,683	125	5,827	67,635
Disaster recovery and facility management services	14,532	-	-	14,532
Managed security services	24,429	-	-	24,429
Engineering works	-	-	9,850	9,850
Mailing and document processing services	-	14,204	-	14,204
Database management services	-	10,679	-	10,679
Software support and licence fees	858	-	-	858
Smart parking services	-	17,947	-	17,947
Net gain on sublease	24,299	-	-	24,299
Others	4,119	3,511	1,941	9,571
	168,301	46,974	20,257	235,532
Total revenue from contracts with customers	210,631	46,974	20,257	277,862
Geographical markets				
Malaysia	210,631	46,814	20,257	277,702
Indonesia	-	160	-	160
Total revenue from contracts with customers	210,631	46,974	20,257	277,862
Timing of revenue recognition				
Goods transferred at a point in time	4,553	28,394	1,941	34,888
Services transferred over time	206,078	18,580	18,316	242,974
Total revenue from contracts with customers	210,631	46,974	20,257	277,862

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

4. REVENUE (CONT'D)

Set out below is the disaggregation of the Company's revenue from contracts with customers.

Company	2024 RM'000	2023 RM'000
Type of goods or services		
Malaysian Communications and Multimedia Commission (MCMC) Licensable Activities		
Network related services	53,573	42,330
System application and development	69,449	40,675
Maintenance charges	96,345	67,510
Disaster recovery and facility management services	17,108	14,097
Managed security services	33,315	24,429
Smart parking services	17,433	17,947
Net gain on sublease	-	24,299
Others	8,613	6,619
	242,263	195,576
Total revenue from contracts with customers	295,836	237,906
Timing of revenue recognition		
Goods transferred at a point in time	8,613	6,619
Services transferred over time	287,223	231,287
Total revenue from contracts with customers	295,836	237,906

Revenue pertaining to the MCMC Licensable Activities refers to those attributable revenue prescribed under the Communication and Multimedia Act (CMA) 1998 Framework Under the CMA, the provision of network related services and internet data centre services are licensed as Network Services Provider Individual License (NSP (I)) and Application Service Provider Class License (ASP (c)) respectively.

NOTES TO THE FINANCIAL STATEMENTS
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5. OTHER INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Hibah income from fixed deposits with license banks	552	603	407	482
Dividend income from subsidiaries (Note 9)	-	-	3,050	600
Dividend income from other investment (Note 9)	-	8	-	8
Gain on disposal of property, plant and equipment	40	278	41	15
Gain on disposal of assets held for sale	10,170	770	-	-
Rental income	97	70	108	148
Realised gain on foreign exchange	250	12	249	10
Write off on amount due to subsidiaries	-	-	-	10,587
Written back on payables	1,318	267	858	-
Lease interest income	785	104	785	104
Others	706	434	631	372
	13,918	2,546	6,129	12,326

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	74,672	72,688	61,775	59,980
Defined contributions plans and social security contributions	9,638	9,740	8,021	8,430
Other benefits	4,501	5,388	3,798	4,884
	88,811	87,816	73,594	73,294

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. DIRECTORS' REMUNERATION

The details of remuneration received or receivable by directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive directors' remuneration:				
Salaries and other emoluments	1,369	1,266	1,369	1,266
Benefits-in-kind	93	92	93	92
Total executive directors' remuneration	1,462	1,358	1,462	1,358
Non-executive directors' remuneration:				
Fees	762	490	518	240
Other emoluments	474	479	474	479
Total non-executive directors' remuneration	1,236	969	992	719
Total directors' remuneration (Note 9 and 34(a))	2,698	2,327	2,454	2,077

8. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expenses on:				
Term loans	266	166	-	-
Revolving credits	1,405	1,279	1,405	1,279
Project financing	1,130	449	1,130	449
Obligations under finance leases	209	-	209	-
Accretion of interest (Note 13)	460	594	396	569
Bank overdrafts	2,160	1,775	2,160	1,773
Others	-	52	-	-
	5,630	4,315	5,300	4,070

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

9. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of intangible assets (Note 14)	2,624	1,218	1,796	602
Auditors' remuneration:				
- Statutory audit	499	506	305	296
- Other services	10	10	10	10
Directors' remuneration (Note 7)	2,698	2,327	2,454	2,077
Operating lease:				
- Office premises	203	124	125	88
- Office equipments	119	131	-	-
Gain on disposal of:				
- Property, plant and equipment	(40)	(278)	(41)	(15)
- Assets held for sale	(10,170)	(770)	-	-
Depreciation of property, plant and equipment (Note 12)	8,136	9,443	7,362	8,642
Depreciation of right-of-use assets (Note 13)	3,888	3,558	3,590	3,318
Dividend income from subsidiary (Note 5)	-	-	3,050	600
Dividend income from other investment (Note 5)	-	8	-	8
Written back on payables	1,318	267	858	-
Impairment loss on:				
- Trade receivables (Note 22(a))	1,409	915	1,359	1,566
- Other receivables (Note 22(c))	2,864	89	2,865	87
- Investments in subsidiaries	-	-	-	8,784
- Investments in associate	1,141	-	470	-
- Intangible assets (Note 14)	1,702	23	-	-
- Contract cost assets (Note 23)	2,475	778	2,475	778
Inventories written down (Note 21)	37	21	-	-
Reversal of impairment loss on:				
- Trade receivables (Note 22(a))	(176)	(609)	(175)	(543)
- Other receivables (Note 22(c))	-	-	-	(1,183)
Written off on:				
- Property, plants and equipment (Note 12)	-	1	-	-
- Amount due from subsidiary	-	-	-	300
- Software development (Note 14)	82	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2024 and 2023 are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statements of comprehensive income:				
Current income tax:				
Malaysian income tax	2,141	1,268	98	288
(Over)/under provision in prior years:				
Malaysian income tax	(234)	111	(173)	-
	1,907	1,379	(75)	288
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	(3,433)	(1,819)	(3,474)	(1,884)
(Over)/under provision in prior years	(5)	1,839	-	1,884
	(3,438)	20	(3,474)	-
Income tax (credit)/expense recognised in statement of comprehensive income	(1,531)	1,399	(3,549)	288

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

10. INCOME TAX EXPENSE (CONT'D)

Reconciliations between tax expense and accounting profit

The reconciliations between tax expense and the accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	5,527	8,567	497	11,071
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	1,326	2,056	119	2,657
Effect of income not subject to tax	(2,405)	(129)	(742)	(4)
Effect of expenses not deductible for tax purposes	3,176	1,606	1,629	517
Utilisation of unabsorbed capital allowances	(1,220)	(6,587)	(1,145)	(6,587)
Utilisation of previously unrecognised tax losses	(3,338)	(8)	(3,237)	-
Deferred tax assets not recognised during the year	1,169	2,511	-	1,821
(Over)/under provision of deferred tax in prior years	(5)	1,839	-	1,884
(Over)/under provision of income tax in prior years	(234)	111	(173)	-
Income tax (credit)/expense recognised in statement of comprehensive income	(1,531)	1,399	(3,549)	288

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

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11. PROFIT PER SHARE

Basic profit per share are calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted profit per share is calculated by dividing the profit for the financial year attributable to owners of the parent by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

There are no potential dilution effects on ordinary shares of the Group for the current financial year. Accordingly, the diluted profit per share for the current financial year is equal to basic profit per share.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

The following tables reflect the profit and share data used in the computation of basic and diluted profit per share for the financial years ended 31 December:

	Group	
	2024 RM'000	2023 RM'000
Profit attributable to owners of the parent	6,706	7,160

	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares in issue for basic/diluted profit per share computation	111,348	101,225

	Group	
	2024 RM	2023 RM
Basic/diluted profit per share (sen per share)	6.02	7.07

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

12. PROPERTY, PLANT AND EQUIPMENT

Group	At Valuation			At Cost			
	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Machinery, office equipment, furniture and fittings RM'000	Computers and network equipment RM'000	Renovation RM'000	
Cost						Total RM'000	
At 1 January 2023	11,459	66,304	502	22,483	182,512	24,878	308,138
Additions	-	-	447	294	7,840	631	9,212
Disposals	-	-	-	(404)	(1,235)	-	(1,639)
Written off (Note 9)	-	-	(353)	(180)	(71)	(127)	(731)
Revaluation surplus	45,905	9,913	-	-	-	-	55,818
Transferred to asset classified as held for sale	(1,610)	(3,473)	-	-	-	-	(5,083)
Exchange differences	-	-	-	(86)	(4)	2	(88)
At 31 December 2023 and 1 January 2024	55,754	72,744	596	22,107	189,042	25,384	365,627
Additions	6,050	1,400	-	365	12,966	1,961	22,742
Disposals	-	-	-	(9,386)	(3,274)	-	(12,660)
Revaluation surplus	3,200	66	-	-	-	-	3,266
At 31 December 2024	65,004	74,210	596	13,086	198,734	27,345	378,975

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS
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Group (cont'd)	At Valuation			At Cost			Total RM'000
	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Machinery, office equipment, furniture and fittings RM'000	Computers and network equipment RM'000	Renovation RM'000	
Accumulated depreciation							
At 1 January 2023	-	46,055	387	19,638	171,837	20,477	258,394
Charge for the year (Note 9)	-	639	115	655	7,157	877	9,443
Disposals	-	-	-	(348)	(1,222)	-	(1,570)
Written off (Note 9)	-	-	(353)	(179)	(71)	(127)	(730)
Transferred to asset classified as held for sale	-	(1,298)	-	-	-	-	(1,298)
Exchange differences	-	-	-	3	(2)	2	3
At 31 December 2023 and 1 January 2024	-	45,396	149	19,769	177,699	21,229	264,242
Charge for the year (Note 9)	-	591	157	628	5,810	950	8,136
Disposals	-	-	-	(9,343)	(3,127)	-	(12,470)
At 31 December 2024	-	45,987	306	11,054	180,382	22,179	259,908
Net carrying amount							
At 31 December 2023	55,754	27,348	447	2,338	11,343	4,155	101,385
At 31 December 2024	65,004	28,223	290	2,032	18,352	5,166	119,067

Company	At Valuation			At Cost			
	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Machinery, office equipment, furniture and fittings RM'000	Computers and network equipment RM'000	Renovation RM'000	
Cost						Total RM'000	
At 1 January 2023	9,895	64,614	813	11,580	178,490	25,259	290,651
Additions	-	-	-	127	7,743	631	8,501
Disposals	-	-	-	(96)	(1,218)	-	(1,314)
Revaluation surplus	45,905	9,913	-	-	-	-	55,818
At 31 December 2023 and 1 January 2024	55,800	74,527	813	11,611	185,015	25,890	353,656
Additions	-	-	-	15	12,735	317	13,067
Disposals	-	-	-	(201)	(1,916)	-	(2,117)
Revaluation surplus	3,200	66	-	-	-	-	3,266
At 31 December 2024	59,000	74,593	813	11,425	195,834	26,207	367,872
Accumulated depreciation							
At 1 January 2023	-	45,564	811	10,061	168,497	20,864	245,797
Charge for the year (Note 9)	-	591	-	330	6,845	876	8,642
Disposals	-	-	-	(94)	(1,207)	-	(1,301)
At 31 December 2023 and 1 January 2024	-	46,155	811	10,297	174,135	21,740	253,138
Charge for the year (Note 9)	-	566	-	305	5,541	950	7,362
Disposals	-	-	-	(200)	(1,914)	-	(2,114)
At 31 December 2024	-	46,721	811	10,402	177,762	22,690	258,386
Net carrying amount							
At 31 December 2023	55,800	28,372	2	1,314	10,880	4,150	100,518
At 31 December 2024	59,000	27,872	2	1,023	18,072	3,517	109,486

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as security

In addition to assets held under finance leases, the net carrying amounts of property, plant and equipment pledged as securities for loans and borrowings (Note 26) are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Freehold land	59,000	55,800	59,000	55,800
Building	27,800	28,300	27,800	28,300
	86,800	84,100	86,800	84,100

Revaluation of land and building

Management determined that the land and buildings constitutes a separate class asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of properties.

On 12 December 2024, the land and building of the Group were revalued by an independent qualified valuer, Rahim & Co (International) Sdn Bhd and MacReal International Sdn Bhd, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The valuation was derived based on the comparison method and cost method.

A net gain of RM3,266,000 was recognised in other comprehensive income for the financial year ended 31 December 2024, as a result of these revaluations.

Significant unobservable valuation input:	Group	
	2024 RM'000	2023 RM'000
Carrying amount 1 January	83,102	31,708
Transferred to asset classified as held for sale	-	(3,785)
Depreciation	(66)	(639)
Revaluation gain	3,266	55,818
Carrying amount 31 December	86,302	83,102

Significant increase/(decrease) in estimated price per square feet would result in a significant higher/(lower) fair value on a linear basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets pledged as security (cont'd)

Revaluation of land and building (cont'd)

If the revalued land and building were measured using the cost less accumulated depreciation, the carrying amount of the properties would have been RM34,007,000 (2023: RM27,284,000), as details follows:

	Group	
	2024 RM'000	2023 RM'000
Cost	80,130	72,680
Accumulated depreciation and impairment	(46,123)	(45,396)
Net carrying amount	34,007	27,284

13. RIGHT-OF-USE ASSETS

The Group and the Company have lease contracts for buildings, computers and network equipment with contract terms of 3 to 4 years and the lease contracts do not contain variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	7,190	7,131	6,280	6,910
Additions	3,119	3,757	3,119	2,834
Modifications	(150)	(140)	(58)	(146)
Depreciation (Note 9)	(3,888)	(3,558)	(3,590)	(3,318)
At 31 December	6,271	7,190	5,751	6,280

NOTES TO THE FINANCIAL STATEMENTS

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13. RIGHT-OF-USE ASSETS (CONT'D)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	7,729	8,095	6,801	7,822
Additions	3,119	3,824	3,119	2,834
Accretion of interest (Note 8)	460	594	396	569
Modifications	(397)	(180)	(366)	(197)
Payments	(4,571)	(4,604)	(4,164)	(4,227)
At 31 December	6,340	7,729	5,786	6,801
Current	3,116	4,168	2,859	3,864
Non-current	3,224	3,561	2,927	2,937

The maturity analysis of lease liabilities are disclosed in Note 27.

The following are the amounts recognised in statement of comprehensive income:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation expense of right-of-use assets	3,888	3,558	3,590	3,318
Interest expense on lease liabilities	460	594	396	569
Total amount recognised in statement of comprehensive income	4,348	4,152	3,986	3,887

The Group and the Company have several lease contracts that include extension option. These option are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension option are reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS
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14. INTANGIBLE ASSETS

Group	Goodwill RM'000	Secured contract RM'000	Software development costs RM'000	Total RM'000
Cost				
At 1 January 2023	21,101	1,153	15,138	37,392
Addition	-	-	5,961	5,961
Reclassification to contract cost assets	-	-	(298)	(298)
At 31 December 2023 and 1 January 2024	21,101	1,153	20,801	43,055
Addition	-	-	748	748
Written off (Note 9)	-	-	(82)	(82)
At 31 December 2024	21,101	1,153	21,467	43,721
Accumulated amortisation and impairment				
At 1 January 2023	16,518	1,153	5,432	23,103
Amortisation (Note 9)	-	-	1,218	1,218
Impairment	-	-	23	23
At 31 December 2023 and 1 January 2024	16,518	1,153	6,673	24,344
Amortisation (Note 9)	-	-	2,624	2,624
Impairment (Note 9)	-	-	1,702	1,702
At 31 December 2024	16,518	1,153	10,999	28,670
Net carrying amount				
At 31 December 2023	4,583	-	14,128	18,711
At 31 December 2024	4,583	-	10,468	15,051

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

14. INTANGIBLE ASSETS (CONT'D)

Company	Software development costs RM'000	
Cost		
At 1 January 2023	8,335	
Addition	4,063	
At 31 December 2023, 1 January 2024 and 31 December 2024	12,398	
Accumulated amortisation		
At 1 January 2023	1,357	
Amortisation (Note 9)	602	
At 31 December 2023 and 1 January 2024	1,959	
Amortisation (Note 9)	1,796	
At 31 December 2024	3,755	
Net carrying amount		
At 31 December 2023	10,439	
At 31 December 2024	8,643	
Impairment testing of goodwill		
Goodwill derived from Inter-City MPC (M) Sdn Bhd Goodwill arising from business combinations has been allocated to one (2023: one) individual cash-generating units ("CGUs") for impairment testing as follows:		
	Group	
	2024 RM'000	2023 RM'000
Mailing and document processing services	4,583	4,583

The recoverable amount of the CGU is based on value-in-use ("VIU") for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

14. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (cont'd)

(a) Value in use

The recoverable amount of the CGU in the mailing and document processing services was determined by discounting the future cash flows expected to be generated from the continuing use of the services on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 5 years business plan.
- the Group has applied 9% of pre-tax discount rate in determining the recoverable amount of the unit. The discount rates used to discount the future cash flows reflect the specific risks relating to the CGU.

Sensitivity to changes in assumptions

The management believes that there is no reasonable possible change in any of the key assumptions which would cause the carrying value of the CGU's allocated to the goodwill to materially exceed their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted ordinary shares, at cost	56,468	56,468
Less: Accumulated impairment losses	(38,859)	(38,859)
	17,609	17,609

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Held by the Company:				
Motordata Research Consortium Sdn Bhd	Malaysia	Development and provision of a centralised parts pricing database for Malaysian insurance industry	60	60
Educational Trend Sdn Bhd	Malaysia	Development and marketing of computer aided educational software	100	100
Inter-City MPC (M) Sdn Bhd	Malaysia	Provision of mail processing and related services	100	100
Integrated Healthcare Solutions Sdn Bhd	Malaysia	Provision of a one-stop customer support service centre and consultancy service desks	100	100
HeiTech i-Solutions Sdn Bhd	Malaysia	Computer software development and marketing of software, contract programming services and product systems integration and other computer related services	100	100
HeiTech Next Sdn Bhd	Malaysia	Provision of research and development in developing, installing and supporting software for small and medium sized industries	100	100
Megacenter System Sdn Bhd	Malaysia	Provision of data centre management	100	100
HeiTech RE Sdn Bhd	Malaysia	Provision of engineering, procurement, construction and commissioning ("EPCC") services	70	-
HeiTech Defence System Sdn Bhd	Malaysia	Provision for information and communication technology products and services for the defence industry	100	100

NOTES TO THE FINANCIAL STATEMENTS
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15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Held by the Company: (cont'd)				
PSG Data Sdn Bhd	Malaysia	Provision for information and communication technology products and services for the health industry	100	100
HeiTech Managed Services Sdn Bhd	Malaysia	Provision of consultancy service network management, local area network design and installation services	100	100
HeiTech Academy Sdn Bhd	Malaysia	To provide professional service as consultants, project management and training	100	100
Vante Sdn Bhd	Malaysia	Provision of consultancy service system integration and change management services	100	100
Cinix 1 Pty Ltd *	Australia	Computer software development sales and support for the motor body industry	100	100
Domainedge Sdn Bhd	Malaysia	Operation of generation facilities that produce electricity	65	65
Duta Technic Sdn Bhd	Malaysia	Provision of engineering, procurement, construction and commissioning ("EPCC") service	51	51
HeiTech Global Services Sdn Bhd	Malaysia	Information and communication technology, property investment	100	100
HeiTech Transbiz Sdn Bhd	Malaysia	General trading	100	100
PT. Intercity Kerlipan *	Indonesia	Provision of mail processing and related services	70	70
HeiTech Eco Energy Sdn Bhd	Malaysia	Provision of engineering, procurement, construction and commissioning ("EPCC") services	100	100
Synergy Grid Sdn Bhd	Malaysia	Financial technology	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
Held through a subsidiary, Inter-City MPC (M) Sdn Bhd				
Pro Office Solutions Sdn Bhd	Malaysia	Provision of mail processing and its related services	100	100
Tekkis Sdn Bhd	Malaysia	Software developer	70	-
Held through a subsidiary, Synergy Grid Sdn Bhd				
Tekkis Sdn Bhd	Malaysia	Software developer	-	70

* Statutory audit is not required under local regulations as the company is dormant

(a) Transfer of shares

During the year, the Company's subsidiary, Synergy Grid Sdn Bhd had transferred its entire shares in Tekkis Sdn Bhd to Inter-City MPC (M) Sdn Bhd, for a consideration of RM1.00. The above transaction has no impact to the Group as it involves internal reorganisation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Material partly-owned subsidiary

Financial information of the subsidiaries that have material non-controlling interests ("NCI") are provided below:

	2024			2023		
	Motordata		Duta	Motordata		Duta
	Tekkis	Research	Technic	Tekkis	Research	Technic
	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	30%	40%	49%	30%	40%	49%
Carrying amount of NCI	(1,163)	4,031	(8,008)	(352)	3,096	(8,206)
(Loss)/profit allocated to NCI	(811)	935	198	(200)	908	(686)

The summarised financial information before inter-company eliminations are as follows:

	2024			2023		
	Motordata		Duta	Motordata		Duta
	Tekkis	Research	Technic	Tekkis	Research	Technic
	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd	Sdn Bhd
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities						
Current assets	2,241	9,121	690	650	7,768	2,034
Non-current assets	354	2,660	-	2,078	2,820	1
Current liabilities	(6,325)	(1,286)	(12,035)	3,756	(1,096)	(13,783)
Non-current liability	-	(505)	-	-	(840)	-
Equity	(3,730)	9,990	(11,345)	6,484	8,652	(11,748)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Material partly-owned subsidiary (cont'd)

Financial information of the subsidiaries that have material non-controlling interests ("NCI") are provided below (cont'd):

	2024			2023		
	Tekkis Sdn Bhd RM'000	Motordata Research Consortium Sdn Bhd RM'000	Duta Technic Sdn Bhd RM'000	Tekkis Sdn Bhd RM'000	Motordata Research Consortium Sdn Bhd RM'000	Duta Technic Sdn Bhd RM'000
Revenue	1,989	12,698	828	2,538	10,679	1,736
(Loss)/profit for the year, representing total comprehensive income	(2,702)	2,338	404	(666)	2,269	(1,399)
Cashflows (used in)/from:						
Operating activities	(110)	3,197	316	1,098	2,290	(192)
Investing activities	-	(697)	-	(813)	(812)	(1)
Financing activities	-	(1,276)	(1,014)	-	(1,275)	-
Net (decrease)/increase in cash and cash equivalents	(110)	1,224	(698)	285	203	(193)

NOTES TO THE FINANCIAL STATEMENTS
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16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	2,867	3,184	1,726	1,726
Write off	(2,397)	-	(1,256)	-
Post-acquisition reserves brought forward	(470)	(748)	-	-
Share of results of the associates	-	(39)	-	-
	-	2,397	470	1,726
Less: Accumulated impairment losses	-	(1,256)	(470)	(1,256)
	-	1,141	-	470

Name	Country of incorporation	Principal activities	Effective equity interest (%)	
			2024	2023
PT Desa Tech Nusantara.^	Indonesia	Provision of cooperative system	49	49
East Coast Multimedia Academy Sdn Bhd >	Malaysia	Provision of multimedia services	-	40
Silvertech Global Ltd >	Bermuda	Investment holding	-	49

^ Audited by firms other than Al Jafree Salihin Kuzaimi PLT.

> Struck-off in current financial year.

(a) Striking-off of associates

During the year, East Coast Multimedia Academy Sdn Bhd has been struck-off from the Suruhanjaya Syarikat Malaysia ("SSM").

Silvertech Global Ltd. has wound up voluntarily, pursuant to the provisions of the Bermuda Companies Act 1981.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

16. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2024	2023
	PT Desa Tech Nusantara RM'000	PT Desa Tech Nusantara RM'000
Assets and liabilities		
Current assets	1,103	2,051
Non-current assets	22	40
Current liabilities	(2,009)	(2,940)
Equity	(884)	(849)
Group's carrying amount of the investment	(406)	(175)
Revenue	130	111
Other income	10	1
Administrative expenses	(609)	(548)
Finance costs	(2)	(1)
Loss before tax	(471)	(437)
Income tax expense	-	-
Loss for the year, representing total comprehensive loss for the year	(471)	(437)
Group's share of loss for the year	(231)	(214)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

17. INVESTMENT IN JOINT OPERATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest in joint operation	243	350	765	350

The Group and the Company has invested RM765,000 in 51% (2023: 51%) equity in a jointly-controlled entity, Uji Bestari Sdn Bhd, a company incorporated in Malaysia and is in the business of the provision of e-testing services for motor vehicle licenses.

On 27 December 2024, the Group and the Company increased its issued and paid-up capital ordinary share capital from RM350,000 to RM765,000 in Uji Bestari Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM415,000.

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's and the Company's interest in the jointly-controlled entity are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Assets and liabilities:		
Total assets	480	213
Total liabilities	(27)	(1)
Income and expenses:		
Expenses	(173)	(34)

18. OTHER INVESTMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Redeemable convertible preference shares in subsidiary	-	-	360	360
Unquoted equity instruments	16,085	16,085	15,115	15,115
	16,085	16,085	15,475	15,475
Less: Accumulated impairment losses	(13,005)	(13,005)	(13,005)	(13,005)
	3,080	3,080	2,470	2,470

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. CONTRACT BALANCES

Information about contract assets and contract liabilities from contracts with customers are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract assets	107,359	35,263	104,471	34,103
Contract liabilities	(11,511)	(11,642)	(6,739)	(6,311)

Contract assets primarily relate to the Group's and the Company's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's and the Company's obligation to transfer goods or services to customers for which the Group and the Company have received advances from customers. Contract liabilities are recognised as revenue as the Group and the Company perform its obligation under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract asset reclassified to receivables	35,263	55,006	34,103	53,408

(ii) Significant changes in contract liabilities are explained as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	11,642	5,868	6,311	5,230

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

19. CONTRACT BALANCES (CONT'D)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are, as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	346,930	79,582	329,787	57,828
More than one year	835,427	113,562	834,864	112,934
	1,182,357	193,144	1,164,651	170,762

The remaining performance obligations expected to be recognised in more than one year relate to maintenance revenue. All the other remaining performance obligations are expected to be recognised within one year.

Set out below is the movement in the allowance for expected credit losses of contract assets:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January/31 December	13,186	13,186	13,186	13,186

20. DEFERRED TAXATION

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Unutilised tax losses RM'000	Unabsorbed capital allowances RM'000	Revaluation reserve RM'000	Capital allowance and depreciation differences RM'000	Other deductible temporary differences RM'000	Total RM'000
Deferred tax (liabilities)/assets of the Group:						
At 1 January 2023	1,034	2,498	-	(3,624)	17	(75)
Recognised in profit or loss (Note 10)	-	-	-	(20)	-	(20)
Recognised in other comprehensive income	-	-	(5,582)	-	-	(5,582)
At 31 December 2023 and 1 January 2024	1,034	2,498	(5,582)	(3,644)	17	(5,677)
Recognised in profit or loss (Note 10)	3,463	-	-	-	(25)	3,438
Recognised in other comprehensive income	-	-	(320)	-	-	(320)
At 31 December 2024	4,497	2,498	(5,902)	(3,644)	(8)	(2,559)
Deferred tax (liabilities)/assets of the Company:						
At 1 January 2023	987	2,498	-	(3,485)	-	-
Recognised in other comprehensive income (Note 10)	-	-	(5,582)	-	-	(5,582)
At 31 December 2023 and 1 January 2024	987	2,498	(5,582)	(3,485)	-	(5,582)
Recognised in profit or loss (Note 10)	3,237	167	-	70	-	3,474
Recognised in other comprehensive income	-	-	(320)	-	-	(320)
At 31 December 2024	4,224	2,665	(5,902)	(3,415)	-	(2,428)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

20. DEFERRED TAXATION (CONT'D)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	(6,033)	(5,677)	(5,902)	(5,582)
Deferred tax assets	3,474	-	3,474	-
	(2,559)	(5,677)	(2,428)	(5,582)

Deferred tax assets of the Group and of the Company have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	996	17,102	-	15,559
Unutilised tax losses	42,068	38,850	-	13,490
Other temporary differences	767	132,068	-	125,037
	43,831	188,020	-	154,086

At the reporting date, the Group and the Company have unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to a 10-year limitation on the carry forward of those losses under the Income Tax Act, 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

21. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Consumable materials, at cost	113	274
Less: Allowance for impairment	(87)	(50)
Consumable materials, at net	26	224

Set out below is the movement in the allowance for impairment loss on inventory:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	50	29
Additional during the year	37	21
At 31 January	87	50

During the financial year, the amounts of inventories recognised as expense in cost of sales in bulk mailing processing charges of the Group were RM4,665,000 (2023: RM3,386,000). In addition, the expense recognised in the statement of comprehensive income include inventories written down amounting to RM37,000 (2023: RM21,000).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables				
Third parties	67,062	59,931	48,094	40,289
Amounts due from subsidiaries	-	-	46,517	39,085
	67,062	59,931	94,611	79,374
Less: Allowance for expected credit losses				
- Third parties	(25,597)	(24,364)	(23,415)	(22,231)
- Amounts due from subsidiaries	-	-	(22,458)	(22,458)
	(25,597)	(24,364)	(45,873)	(44,689)
Net trade receivables	41,465	35,567	48,738	34,685
Other receivables				
Amounts due from subsidiaries	-	-	25,273	22,192
Deposits	2,517	1,288	1,312	1,067
Sundry receivables	35,840	28,674	32,827	28,056
	38,357	29,962	59,412	51,315
Less: Allowance for expected credit losses				
- Sundry receivables	(25,924)	(23,060)	(25,467)	(22,602)
- Amounts due from subsidiaries	-	-	(18,686)	(18,686)
	(25,924)	(23,060)	(44,153)	(41,288)
Net other receivables	12,433	6,902	15,259	10,027
Total trade and other receivables	53,898	42,469	63,997	44,712

NOTES TO THE FINANCIAL STATEMENTS

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22. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2023: 30 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. On initial recognition, the Group and the Company recognised them at their original invoiced amount, which is their fair values. The Group and the Company hold trade receivables to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest.

Set out below is the movement in the allowance for expected credit losses of trade receivables (including amounts due from subsidiaries - trade):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	24,364	24,058	44,689	43,666
Provision for expected credit losses (Note 9)	1,409	915	1,359	1,566
Reversal of impairment loss (Note 9)	(176)	(609)	(175)	(543)
At 31 December	25,597	24,364	45,873	44,689

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are non-interest bearing, unsecured and are repayable on demand.

(c) Sundry receivables

Set out below is the movement in the allowance for expected credit losses of sundry receivables (including amounts due from subsidiaries - non-trade):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	23,060	22,971	41,288	42,384
Provision for expected credit losses (Note 9)	2,864	89	2,865	87
Reversal of impairment loss (Note 9)	-	-	-	(1,183)
At 31 December	25,924	23,060	44,153	41,288

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

23. CONTRACT COSTS ASSETS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capitalised fulfilment costs				
At 1 January	88,023	87,545	87,026	87,017
Capitalised during the year	138,661	64,330	138,447	63,970
Reclassification	-	298	-	-
	226,684	152,173	225,473	150,987
Recognised in profit or loss	(87,922)	(63,372)	(87,813)	(63,183)
	138,762	88,801	137,660	87,804
Impairment (Note 9)	(2,475)	(778)	(2,475)	(778)
At 31 December	136,287	88,023	135,185	87,026
Non-current	901	6,544	-	5,886
Current	135,386	81,479	135,185	81,140
Total contract cost assets	136,287	88,023	135,185	87,026

24. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash at banks and on hand	31,610	31,513	17,400	26,935
Deposits with licensed banks	20,553	22,746	17,032	18,377
Cash and bank balances	52,163	54,259	34,432	45,312

Deposits with licensed banks of the Group and of the Company amounting to RM20,553,000 (2023: RM22,746,000) and RM17,032,000 (2023: RM18,377,000) respectively are pledged as securities for loans and borrowings (Note 26).

Deposits with licensed banks earn profit at the respective deposit rates. The weighted average effective profit rate as at 31 December 2024 for the Group and for the Company was 1.75% (2023: 1.76%) per annum. The average days to maturity period as at 31 December 2024 for the Group and for the Company were 29 days (2023: 29 days).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

24. CASH AND BANK BALANCES (CONT'D)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	52,163	54,259	34,432	45,312
Less: Bank overdrafts (Note 26)	(33,729)	(21,434)	(33,720)	(20,420)
	18,434	32,825	712	24,892
Deposits pledged as securities for bank borrowings	(20,553)	(22,746)	(17,032)	(18,377)
Cash and cash equivalents	(2,119)	10,079	(16,320)	6,515

25. ASSET CLASSIFIED AS HELD FOR SALE

	Group	
	2024 RM'000	2023 RM'000
At 1 January	3,785	1,492
Transfer from property, plant and equipment (Note 12)	-	3,785
Disposal	(3,785)	(1,492)
At 31 December	-	3,785

The carrying amount of the asset is the same as its carrying value before it was reclassified as held for sale.

The asset held for sale pledged as securities for loans and borrowings (Note 26).

A company in Malaysia has signed a sales and purchase agreement on its double storey detached factory and office on 15 November 2023. The sales value is RM14,288,000 with transaction cost of RM333,000 and the transaction is completed in September 2024.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

26. LOANS AND BORROWINGS

	Maturity	Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Current						
Secured:						
Term loan	2025	468	691	-	-	
Bank overdrafts	On demand	33,729	21,434	33,720	20,420	
Revolving credits	2025	24,137	36,847	24,137	36,847	
Contract financing	2025	129,995	51,479	129,994	51,478	
		188,329	110,451	187,851	108,745	
Non-current						
Secured:						
Term loan	2026 - 2044	5,775	982	-	-	
Contract financing	2026 - 2029	-	5,887	-	5,886	
		5,775	6,869	-	5,886	
Total loans and borrowings		194,104	117,320	187,851	114,631	

The remaining maturities of loans and borrowings as at 31 December are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Maturity of loans and borrowings:				
Within one year	188,329	110,451	187,851	108,745
More than 1 year and less than 2 years	5,775	6,869	-	5,886
	194,104	117,320	187,851	114,631

Term loan

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Term loan	6,243	1,673	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

26. LOANS AND BORROWINGS (CONT'D)

Term loan is secured by the following:

- First legal charge over a building of the subsidiary as disclosed in Note 12; and
- Joint and several guarantee by a number of directors.

The weighted average effective interest rate of term loan of the Group was 4.52% (2023: 3.4%) per annum. The repayment of the Group's term loan is due from 2024 to 2044.

Bank overdrafts

Bank overdrafts are secured by negative pledge on all present and future unencumbered assets of the Company. The weighted average effective interest rate of bank overdrafts was 7.11% (2023: 7.62% per annum).

Revolving credits

Revolving credit is secured by the following:

- First legal charge over a land and building of the Company as disclosed in Note 12;
- Deposits with licensed banks; and
- Negative pledge on all present and future unencumbered assets of the Company.

The weighted average interest rate of revolving credits was 4.75% (2023: 5.53%) per annum.

Contracts Financing

The contract financing is secured by the following:

- Facility agreement executed and stamped as the principal instruments;
- First legal charge over security deposit and letter of set off;
- The general Deed of Assignment against the contract proceeds;
- An Irrevocable Letter of Instruction (ILI) to directly credit the contract proceeds into designated account; and
- Negative pledge over present and future assets as disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

26. LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from the Group's financing activities excluding bank overdrafts is as follows (cont'd):

Group	1 January 2024 RM'000	Cash changes		Non-cash change		31 December 2024 RM'000
		Cash flows RM'000	Profit paid RM'000	Accretion of profit RM'000	Others* RM'000	
Term loan						
- non-current	982	-	-	-	4,793	5,775
- current	691	4,570	(266)	266	(4,793)	468
Revolving credits	36,847	(12,710)	(1,405)	1,405	-	24,137
Contract financing						
- non-current	5,887	-	-	-	(5,887)	-
- current	51,479	72,629	(1,130)	1,130	5,887	129,995
Total	95,886	64,489	(2,801)	2,801	-	160,375

Group	1 January 2023 RM'000	Cash changes		Non-cash change		31 December 2023 RM'000
		Cash flows RM'000	Profit paid RM'000	Accretion of profit RM'000	Others* RM'000	
Term loan						
- non-current	2,199	-	-	-	(1,217)	982
- current	-	(526)	(166)	166	1,217	691
Revolving credits	37,054	(207)	(1,279)	1,279	-	36,847
Contract financing						
- non-current	14,327	-	-	-	(8,440)	5,887
- current	43,157	(118)	(449)	449	8,440	51,479
Total	96,737	(851)	(1,894)	1,894	-	95,886

*The 'others' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

26. LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from the Group's financing activities excluding bank overdrafts is as follows (cont'd):

Company	1 January 2024 RM'000	Cash changes		Non-cash change		31 December 2024 RM'000
		Cash flows RM'000	Profit paid RM'000	Accretion of profit RM'000	Others* RM'000	
Revolving credits	36,847	(12,710)	(1,405)	1,405	-	24,137
Contract financing						
- non-current	5,886	(5,886)	-	-	-	-
- current	51,478	78,516	(1,130)	1,130	-	129,994
Total	94,211	59,920	(2,535)	2,535	-	154,131

Company	1 January 2023 RM'000	Cash changes		Non-cash change		31 December 2023 RM'000
		Cash flows RM'000	Profit paid RM'000	Accretion of profit RM'000	Others* RM'000	
Revolving credits	37,054	(207)	(1,279)	1,279	-	36,847
Contract financing						
- non-current	14,327	-	-	-	(8,441)	5,886
- current	43,157	(120)	(449)	449	8,441	51,478
Total	94,538	(327)	(1,728)	1,728	-	94,211

*The 'others' column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS
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27. LEASE LIABILITIES

	Maturity	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
Obligations under right-of-use asset (Note 32(b))	2025	3,116	4,168	2,859	3,864
Obligations under lease receivables (Note 32(b))	2025	13,182	13,655	13,182	13,663
		16,298	17,823	16,041	17,527
Non-current					
Obligations under right-of-use asset (Note 32(b))	2026 - 2029	3,224	3,561	2,927	2,937
Obligations under lease receivables (Note 32(b))	2026 - 2029	23,029	36,259	23,029	36,251
		26,253	39,820	25,956	39,188
Total lease liabilities		42,551	57,643	41,997	56,715

The remaining maturities of lease liabilities as at 31 December are as follows:

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Maturity of lease liabilities:					
Within one year		16,298	17,823	16,041	17,527
More than 1 year and less than 2 years		14,102	38,142	13,805	37,588
More than 2 years and less than 5 years		12,151	1,678	12,151	1,600
		42,551	57,643	41,997	56,715

The total cash out flow for leases as follows:

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Included in cashflow used in financing activities</u>					
Repayment of lease		18,632	8,587	18,223	8,303

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables				
Third parties	(a) 76,992	57,548	68,885	47,496
Amounts due to subsidiaries	-	-	25,748	22,677
	76,992	57,548	94,633	70,173
Other payables				
Amount due to directors of a subsidiary	(b) -	171	-	-
Deposits	60	60	60	60
Accruals	8,317	5,787	8,317	5,752
Sundry payables	32,339	23,662	25,363	19,548
	40,716	29,680	33,740	25,360
Total trade and other payables	117,708	87,228	128,373	95,533

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2023: 30 to 90 days) terms.

(b) Amount due to directors of a subsidiary

The amount due to directors of a subsidiary is unsecured and is repayable on demand.

29. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid up with no par value:				
Balance as at 1 January	101,225	101,225	117,751	117,751
Issued during the year	10,123	-	18,901	-
Balance as at 31 December	111,348	101,225	136,652	117,751

During the financial year, the issued and paid up share capital of the Company was increased from RM117,751,000 to RM136,652,000 by way of an issuance of 10,122,520 ordinary shares, at an issue price ranging from RM1.73 to RM2.01 per ordinary shares via Private Placement to eligible investors for a total cash consideration of RM18,901,000 for working capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

30. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2024 RM'000	2023 RM'000
At 1 January	(1,204)	(893)
Other comprehensive income:		
Foreign currency translation	14	(311)
At 31 December	(1,190)	(1,204)

The foreign currency translation reserve represents exchange differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

31. LEASE RECEIVABLES

	Group and Company	
	2024 RM'000	2023 RM'000
Non-current	34,136	53,232
Current	18,578	18,803
	52,714	72,035
As at 1 January	72,035	-
Additions	-	78,858
Lease payments received	(20,106)	(6,944)
Finance income	785	121
As at 31 December	52,714	72,035

Lease receivable related to sublease arrangements between the Company and its licensees. The Company entered into head lease agreement with the lessor for the computer hardware and software (the equipment) rental and sublease the equipment in accordance with respective licensing agreements for the entire head lease period. The Company has accounted the sublease arrangement as a finance lease under MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

31. LEASE RECEIVABLES (CONT'D)

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group and Company	
	2024 RM'000	2023 RM'000
Less than one year	19,561	19,561
Between one and five years	38,116	58,196
Total undiscounted lease payments receivable	57,677	77,757
Unearned finance income	(4,963)	(5,722)
Lease receivables	52,714	72,035

32. COMMITMENTS

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Capital expenditure Approved and contracted for:		
Property, plant and equipment	232	4

(b) Lease liability commitments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Minimum lease payments:				
Not later than 1 year	17,609	18,638	17,297	18,258
Later than 1 year but not later than 2 years	15,776	15,788	15,504	15,504
Later than 2 years but not later than 5 years	14,456	28,624	14,397	28,190
Total minimum lease payments	47,841	63,050	47,198	61,952
Less: Future finance charges	(5,290)	(5,407)	(5,201)	(5,237)
Present value of minimum lease payments	42,551	57,643	41,997	56,715

NOTES TO THE FINANCIAL STATEMENTS
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32. COMMITMENTS (CONT'D)

(b) Lease liability commitments (cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Analysis of present value of finance lease liabilities:				
Not later than 1 year	16,298	17,823	16,041	17,527
Later than 1 year but not later than 2 years	14,102	14,898	13,805	14,520
Later than 2 years but not later than 5 years	12,151	24,922	12,151	24,668
	42,551	57,643	41,997	56,715
Less: Amount due within 12 months	(16,298)	(17,823)	(16,041)	(17,527)
Amount due after 12 months	26,253	39,820	25,956	39,188

The Group and the Company have entered into rental agreement for buildings, computers and network equipment as disclosed in Note 13 and Note 31. The lease liability payable of the Group and of the Company bore effective interest rate of 0.50% - 7.60% (2023: 0.50% - 7.60%).

(c) Financial guarantee

	Company	
	2024 RM'000	2023 RM'000
Unsecured:		
Guarantees given to financial institutions for credit facilities granted to subsidiary	-	8,000

No value has been placed on the corporate guarantee provided by the Company as the directors have assessed the guarantee contracts and concluded that the financial impact of the guarantee is not material as the subsidiaries concerned are in positive shareholder funds to meet their obligations as and when they fall due.

33. CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS

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

On 8 October 2018, the Plaintiff was claiming against the Defendant for a purported outstanding payment of RM2,730,000 for services allegedly rendered by the Plaintiff to the customer. The full trial proceeded on the 21 November 2022 and 22 November 2022 respectively.

On 28 March 2023, the High Court has dismissed the Plaintiff's claim. On 19 April 2023, the Plaintiff has filed a Notice of Appeal to the Court of Appeal. The Court of Appeal has fixed the hearing of the appeal on 22 April 2024. Subsequent to the hearing of the appeal on 22 April 2024, the Court of Appeal decided in favour of Defendant.

Subsequently, the Plaintiff had filed a Notice of Motion seeking leave to appeal to the Federal Court. The Federal Court has on 1 October 2024 decided to favour of the Defendant and has given an order for costs of RM30,000 to be paid by the Plaintiff to the Defendant. This matter is formally closed.

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33. CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONT'D)

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

On 28 February 2023, the Defendant received a Writ of Summons and Statement of Claim both dated 23 February 2023, filed by the Plaintiff at the High Court. Plaintiff was claiming that the Defendant in breach of the contract for services rendered to the Plaintiff in respect of the "Merekabentuk, Membangun, Membekal, Menghantar, Memasang, Mengintegrasikan, Menguji, Melatih, Deploy, Mentauliah Dan Waranti Bagi Sistem Aplikasi Scheme Management" ("Agreement").

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

1. The sum of RM8,491,377 being payments previously made by the Plaintiff to the Defendant under the Agreement;
2. The sum of RM984,783 being the Liquidated Ascertained Damages ("LAD") imposed under the Agreement;
3. The sum of RM16,887,208 being loss of expenses for the existing system until August 2021;
4. Interest on all sums ordered to be paid by the Defendant to the Plaintiff at the rate of 5% per annum calculated from the date of judgment until the date of full settlement;
5. Costs; and
6. Such further relief and/or orders as the Honorable Court deems fit.

The Defendant in their defence and counterclaim seeks the following relief:-

1. The sum of RM6,615,157 for work done until the Plaintiff's unilateral termination on 25 June 2021;
2. The sum of RM6,539,14 being expectation loss as a result the said termination;
3. The sum of RM1,726,258 for the additional works done and supply of Hardware, Software and Services;
4. General damages to be assessed by this Honourable Court, where applicable;
5. Pre-judgment interest on all sum ordered to be paid by the Plaintiff to the Defendant at the rate of 5% per annum calculated from the date of termination of 25 June 2021 until the date of judgement;
6. Post-judgment interest on all sum ordered to be paid by the Plaintiff to the Defendant at the rate of 5% per annum calculated from the date of judgement until full settlement;
7. Costs; and
8. Any other reliefs that this Honourable Court deems fit and proper.

A Hearing was held on 9 August 2023 in relation to Defendant's application under Order 14A and Order 33 Rules of Court 2012: To Summarily Determine the Plaintiff's Claim ("Application"). On 21 March 2025, the Court was of the view that as there are multiple issues, the matter should proceed to trial and did not grant the Company's application for an Order 14A (Application for the Disposal of Case on Point of Law). The Court has scheduled the next Case Management on 11 June 2025 to update the Court on the filing of pre-trial documents and the Court has fixed the trial dates between 5 to 17 March 2026.

Based on available information and legal advice received, the management is of the view that the Company not only has reasonable case against Plaintiff, but also has a counterclaim against the Plaintiff for unlawful termination of the Agreement. Therefore, no provision has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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34. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly, including any director of the entity.

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term employee benefits	4,126	4,170	3,882	3,920
Defined contribution plan	141	182	141	182
	4,268	4,352	4,024	4,102

Included in the total key management personnel is:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' remuneration (Note 7)	2,698	2,327	2,454	2,077

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group President and management. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, Group's policy, that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For the financial assets (including other investments and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration

At the reporting date, approximately 81% (2023: 82%) of the Group's and the Company's trade receivables were due from commercial sector agencies in Malaysia.

Trade and other receivables and contract assets

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group and the Company does not hold collateral as security.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management is to maintain sufficient level of cash to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raise funds from shareholders, capital market and financial institutions and balance their portfolio with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contracted undiscounted repayment obligations:

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
31 December 2024			
Financial liabilities:			
Trade and other payables	117,708	-	117,708
Loans and borrowings	188,334	8,893	197,227
Lease liabilities	17,715	30,405	48,120
Total undiscounted financial liabilities	323,757	39,298	363,055

31 December 2023	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Financial liabilities:			
Trade and other payables	87,228	-	87,228
Loans and borrowings	116,337	942	117,279
Lease liabilities	18,350	43,959	62,308
Total undiscounted financial liabilities	221,915	44,900	266,815

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
31 December 2024			
Financial liabilities:			
Trade and other payables	128,373	-	128,373
Loans and borrowings	187,851	-	187,851
Lease liabilities	17,355	29,985	47,340
Total undiscounted financial liabilities	333,579	29,985	363,564

31 December 2023	On demand or within one year RM'000	One to five years RM'000	Total RM'000
Financial liabilities:			
Trade and other payables	95,533	-	95,533
Loans and borrowings	115,647	-	115,647
Lease liabilities	18,300	43,959	62,258
Total undiscounted financial liabilities	229,480	43,959	273,438

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's and the Company's policy is to manage interest expense using a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM86,000 (2023: RM77,000) higher/lower and RM72,000 (2023: RM73,000) lower/higher respectively, arising mainly as a result of lower/higher interest rate loans and borrowings, higher/lower interest income from floating rate loans to related parties. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company operate mainly in Malaysia and transacts predominantly in RM. The Group and the Company have minimal transactional currency exposure arising from sales and purchases that are denominated in a currency other than the respective functional currencies of the Group and the Company entities.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(A) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Note	Group		Company		
		Carrying amount RM'000	Fair value Level 2 RM'000	Carrying amount RM'000	Fair value Level 2 RM'000	
2024						
Financial liabilities						
Loans and borrowings (non-current)	26	5,775	5,078	-	-	
2023						
Financial liabilities						
Loans and borrowings (non-current)	26	6,869	13,217	5,886	14,327	

Non-current loans and borrowings - fixed rate

The fair value of non-current loans and borrowings at fixed rates are categorised as Level 2 in the fair value hierarchy as they are estimated by discounting the expected future cash flows at market incremental lending rate available for similar types of lending, borrowing or leasing arrangements at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(B) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are the classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	22
Loans and borrowings (current)	26
Loans and borrowings - floating rate (non-current)	26
Trade and other payables	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the relatively short-term nature, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(C) Fair value hierarchy

The following table presents the carrying amount of the Group's assets that are measured at fair value as at 31 December 2024 respectively:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2024				
Carried at fair value:				
Freehold land	-	-	65,004	65,004
Building	-	-	28,223	28,223
	-	-	93,227	93,227
At 31 December 2023				
Carried at fair value:				
Freehold land	-	-	55,754	55,754
Building	-	-	27,348	27,348
	-	-	83,102	83,102

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's policy is to keep the gearing ratio at reasonable level. The Group and the Company include within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to owners of the parent.

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans and borrowings	26	194,104	117,320	187,851	114,631
Trade and other payables	28	117,708	87,228	128,373	95,533
Less: Cash and bank balances	24	(52,163)	(54,259)	(34,432)	(45,312)
Net debt		259,649	150,289	281,792	164,852
Equity attributable to owners of the parent, representing total capital		173,635	144,853	171,713	145,820
Capital and net debt		433,284	295,142	453,505	310,675
Gearing ratio		60%	51%	62%	53%

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- i) Increase in paid-up share capital

The Company increased its issued and paid-up ordinary share capital from RM117,751,000 to RM136,652,000 by way of private placement:

On 17 April 2024, the Company proposed to undertake a private placement not exceeding 10% of the total number of issued shares in the Company.

On 20 June 2024, the first tranche of the Private Placement shares of 5,162,485 was issued at an issue price of RM1.73 per share, and raised total proceeds of RM8,931,099.05.

On 26 July 2024, the second tranche of the Private Placement shares of 4,960,035 was issued at an issue price of RM2.010 per share, and raised total proceeds of RM9,969,670.35.

On 26 July 2024, the Company announced on Bursa Malaysia that the private placement of 10,122,520 new ordinary shares was completed; and total proceeds of RM18,901,000 was raised.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- ii) Acquisition of land and building

During the year, the Company's subsidiary, Inter-City MPC Sdn Bhd completed a sales and purchase agreement ("SPA") with San-Denki Manufacturing Sdn Bhd to purchase a unit of three (3) storey semi-detached office warehouse at No. 5, Jalan Para U8/103, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor held under Individual Title H.S.(D) 296657, PT 35569, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1,170.6 square metres in area for cash consideration of RM7,450,000.

39. SEGMENT INFORMATION

The Group organised the business units based on its products and services, and has three reportable operating segments as follows:

- (i) Core 1
- (ii) Core 2
- (iii) Core 3

In light of the evolving business landscape, the Group has undertaken a revision of its organisational structure to better reflect the decision-making processes and challenges faced by various entities within the Group. The segmentation of the Group has been redefined based on business maturity, ensuring a more streamlined approach to address distinct operational needs which are as follows:

(i) Technology Market Group (TMG)

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

(ii) Investment Market Group (IMG)

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

(iii) Niche Market Group (NMG)

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

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at terms agreed between the parties during the financial year.

39. SEGMENT INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

	TMG			IMG			NMG			Adjustments and eliminations			Consolidated financial statements		
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Revenue:															
External sales	231,481	210,631	54,874	46,974	50,616	20,257	-	-	-	-	336,971	277,862	-	-	
Inter-segment	-	-	1,646	4,126	788	-	(2,434)	(4,126)	-	-	-	-	-	-	-
Total	231,481	210,631	56,520	51,100	51,404	20,257	(2,434)	(4,126)	(2,434)	(4,126)	336,971	277,862	-	-	-
Results:															
Finance costs	(3,863)	(3,622)	(611)	(567)	(1,161)	(144)	5	18	-	-	(5,630)	(4,315)	-	-	-
Hibah income	319	427	170	158	63	18	-	-	-	-	552	603	-	-	-
Depreciation and amortisation	(11,155)	(11,663)	(2,055)	(1,856)	(1,437)	(758)	29	58	-	-	(14,614)	(14,219)	-	-	-
Other non-cash items	(175)	(216)	4,621	843	1,353	-	-	-	-	(209)	A	5,799	418	-	-
Share of results of associate	-	-	-	(39)	-	-	-	-	-	-	-	-	(39)	-	-
Profit/(loss) before tax	25,609	20,715	(17,972)	(12,580)	156	(3,994)	(2,266)	4,426	B	5,527	8,567	-	-	-	-
Assets:															
Investments in associates	470	470	-	-	-	-	-	(470)	671	-	-	-	-	-	1,141
Additions to non-current assets	10,241	7,527	11,234	3,261	1,908	4,385	-	-	-	-	C	23,383	15,173	-	-
Segment assets	422,479	376,036	101,202	84,872	95,951	28,427	(68,635)	(56,291)	D	550,997	433,044	-	-	-	-
Liabilities:															
Segment liabilities	287,913	246,759	96,264	83,286	78,024	28,867	(93,462)	(79,392)	E	368,739	279,520	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

39. SEGMENT INFORMATION (CONT'D)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM'000	2023 RM'000
Impairment loss on trade and other receivables	9	4,273	1,004
Reversal of impairment loss on trade and other receivables	9	(176)	(609)
Impairment loss on intangible asset	9	1,702	23
		5,799	418

B The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income:

	2024 RM'000	2023 RM'000
Income from inter-segment	3,364	8,780
Share of results of associate	-	(39)
Finance costs	(5,630)	(4,315)
	(2,266)	4,426

C Additions to non-current assets consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment	22,742	9,212
Intangible assets	748	5,961
Investment in a joint operation	(107)	-
	23,383	15,173

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

39. SEGMENT INFORMATION (CONT'D)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

D The following item is deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Inter-segment assets	(67,269)	(54,909)
Property, plant and equipment	(1,214)	(1,201)
Right-of-use assets	(152)	(181)
	(68,635)	(56,291)

E The following item is deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Inter-segment liabilities	(93,414)	(79,162)
Lease liabilities	(48)	(230)
	(93,462)	(79,392)

Geographical information

Revenue and non-current assets information based on the geographical location of the operations of the Group are as follows:

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
By country:				
Malaysia	336,971	277,702	178,749	197,254
Indonesia	-	160	-	-
	336,971	277,862	178,749	197,254

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

39. SEGMENT INFORMATION (CONT'D)

Geographical information (cont'd)

Non-current assets information presented consist of the following items as presented in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Property, plant and equipment	119,067	101,385
Right-of-use assets	6,271	7,190
Intangible assets	15,051	18,711
	140,389	127,286

Information about major customers

Revenue from major customers from the public sector represents 60% of total sales of the Group arising from sales by the TMG Public segment.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 25 March 2025.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Sri Abi Musa Asa'ari Bin Mohamed Nor

Chairman / Non-Independent Non-Executive Director
(Retired w.e.f. 2nd October 2024)

Dato' Sri Mohd Hilmey Bin Mohd Taib

Founder and Advisor / Non-Independent Non-Executive Director

Salmi Nadia Binti Mohd Hilmey

Group Managing Director
Group Chief Executive Officer
(Resigned w.e.f. 31st December 2024)

Sandraruben Neelamaghamb

Executive Director

Datuk Mohd Radzif Bin Mohd Yunus

Independent Non-Executive Director

Datuk Mohd Jimmy Wong Bin Abdullah

Non-Independent Non-Executive Director

Sulaiman Hew Bin Abdullah

Independent Non-Executive Director

Wan Ainol Zilan Binti Abdul Rahim

Independent Non-Executive Director

Hamzah Bin Mahmood

Independent Non-Executive Director

Razalee Bin Amin

Independent Non-Executive Director

Chong Seep Hon

Independent Non-Executive Director

AUDIT COMMITTEE

Wan Ainol Zilan Binti Abdul Rahim

Chairman

Hamzah Bin Mahmood

Member

Razalee Bin Amin

Member

RISK MANAGEMENT COMMITTEE

Datuk Mohd Radzif Bin Mohd Yunus

Chairman

Sulaiman Hew Bin Abdullah

Member

Chong Seep Hon

Member

NOMINATION & REMUNERATION COMMITTEE

Sulaiman Hew Bin Abdullah

Chairman

Datuk Mohd Radzif Bin Mohd Yunus

Member

Datuk Mohd Jimmy Wong Bin Abdullah

Member

INTEGRITY & WHISTLEBLOWING BOARD COMMITTEE

Razalee Bin Amin

Chairman

Chong Seep Hon

Member

Datuk Mohd Jimmy Wong Bin Abdullah

Member

GROUP COMPANY SECRETARIES

Zainal Amir Bin Ahmad

LS0010080

Amir Zahini Bin Sahrim

MAICSA7034464

(Resigned w.e.f. 26 November 2024)

SENIOR MANAGEMENT

Dato' Sri Mohd Hilmey Bin Mohd Taib

Founder and Advisor

Sandraruben Neelamaghamb

Executive Director

Ahmad Nasrul Hakim Bin Mohd Zaini

Group Chief Financial Officer

Sum Wai Keei, Allan

Chief Risk Officer

Ts. Wan Zailani Bin Wan Ismail

Chief Infrastructure Officer

Ts. Dr. Nor Hazilawati Binti Awang

Chief Information Officer

Sazman Redza Bin Abu Bakar

Chief Systems Officer

Chu Zhi Ning

Group Finance Director

Norazima Binti Hussain

Group Human Capital Director

Nasrul Hata Bin Mohd Ali

Group Business Director
("Public Sector")

Sivarajah A/L K. Subramaniam

Group Business Director
("Private Sector")

REGISTERED OFFICE

Level 15, Menara Insignia,
Persiaran Kewajipan, USJ 1,
UEP Subang Jaya,
47600 Subang Jaya,
Selangor Darul Ehsan
Tel : +603-8601 3000
Fax : +603-8024 7997

INCORPORATED

5 August 1994

WEBSITE ADDRESS

www.heitech.com.my

AUDITOR

Messr. Al Jafree Salihin Kuzaimi PLT

555, Jalan Samudra Utara 1,
Taman Samudra, 68100 Batu Caves,
Selangor Darul Ehsan

PRINCIPAL BANKERS

- Affin Islamic Bank Berhad

- Maybank Islamic Berhad

- RHB Bank Berhad & RHB Islamic Bank Berhad

- AmBank Islamic Berhad

- Bank Islam Malaysia Berhad

- Bank Kerjasama Rakyat Malaysia Berhad

- Bank Muamalat Malaysia Berhad

- Bank of China (Malaysia) Berhad

GROUP STRUCTURE

PRINCIPAL SOLICITORS

Messrs. Ahmad Deniel Ruben & Co
C3-2-10, Solaris Dutamas,
Jalan Dutamas 1,
50480 Kuala Lumpur

Messrs. Cheang & Ariff
39 Court @ Loke Mansion,
273A, Jalan Medan Tuanku,
50300 Kuala Lumpur

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business, Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel : +603-2783 9299
Fax: +603-2783 9222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed since 20th November 2000)
Stock Code: 5028
Stock Name: HTPADU
14th Floor Exchange Square, Bukit Kewangan, P.O Box 11023, 50670 Kuala Lumpur
Tel : +603-2034 7000
Fax: +603-2710 2308

AGM HELPDESK

Zainal Amir Bin Ahmad
Tel : +603-8601 3145
Fax: +603-8024 7997

Syazreen Yasmin Binti Suyamin
Tel : +603-8601 3125
Fax: +603-8024 7997

Subsidiaries	Associate & Investment
100% HeiTech Managed Services Sdn Bhd	49% PT Desa Tech Nusantara
100% HeiTech Next Sdn Bhd	39% Peladang HeiTech Sdn Bhd
100% HeiTech i-Solutions Sdn Bhd	20% DAPAT Vista (M) Sdn Bhd
100% HeiTech Global Services Sdn Bhd	19% Vantage Point Consulting Sdn Bhd
100% Integrated Healthcare Solutions Sdn Bhd	
100% Vante Sdn Bhd	
100% Megacenter System Sdn Bhd	
100% HeiTech Academy Sdn Bhd	
100% PSG Data Sdn Bhd	
100% HeiTech Defence System Sdn Bhd	
100% Inter-City MPC (M) Sdn Bhd	
100% Pro-Office Solutions Sdn Bhd	
70% Tekkis Sdn Bhd	
100% Synergy Grid Sdn Bhd	
100% HeiTech Eco Energy Sdn Bhd	
100% Cinix 1 Pty Ltd	
100% Educational Trend Sdn Bhd	
70% HeiTech RE Sdn Bhd	
70% Digital Healthcare Solutions Sdn Bhd	
70% P.T Intercity Kerlipan	
65% Domainedge Sdn Bhd	
60% Motordata Research Consortium Sdn Bhd	
51% Duta Technic Sdn Bhd	
51% Uji Bestari Sdn Bhd	

Notes:-

- The companies reflected above are active operating subsidiaries, associate and investment companies.
- Information is accurate as of 20th March 2025.

LIST OF PROPERTIES

AS AT 31st DECEMBER 2024

Location	Land / Build-up Area	Current Usage	Land/ Tenure	Fair Value as at 31.12.2024	Valuation Amount	Date of Revaluation
No. 1 Jalan U8/81, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan	211,091 Sq. Ft.	HeiTech Village 2 Data Center and business premise	Freehold	RM78.4 Million	RM79 Million	12 December 2024
Cyberjaya	51,817 Sq. Ft.	Vacant Land	Freehold	RM7.8 Million	RM7.8 Million	12 December 2024

ANALYSIS OF SHAREHOLDINGS

AS OF 25th MARCH 2025

DIRECTORS' SHAREHOLDING

No.	Name	No. of Shares held			
		Direct Interest	%	Indirect Interest	%
1.	Dato' Sri Mohd Hilmey Bin Mohd Taib	4,055,784	3.642	14,242,328 ⁽¹⁾	12.791
2.	Sandraruben Neelamaghram	-	-	-	-
3.	Datuk Mohd Radzif Bin Mohd Yunus	-	-	-	-
4.	Datuk Mohd Jimmy Wong Bin Abdullah	-	-	-	-
5.	Sulaiman Hew Bin Abdullah	-	-	-	-
6.	Wan Ainol Zilan Binti Abdul Rahim	-	-	-	-
7.	Hamzah Bin Mahmood	-	-	160,000 ⁽²⁾	0.144
8.	Razalee Bin Amin	-	-	-	-
9.	Chong Seep Hon	-	-	-	-

SUBSTANTIAL SHAREHOLDING

No.	Name	No. of Shares held			
		Direct Interest	%	Indirect Interest	%
1.	Dato' Sri Mohd Hilmey Bin Mohd Taib	4,055,784	3.642	14,242,328 ⁽¹⁾	12.791
2.	Padujade Corporation Sdn Bhd	14,236,328	12.785	-	-
3.	My E.G. Capital Sdn Bhd	21,364,700	19.187	-	-
4.	MY E.G. Services Berhad	-	-	21,364,700 ⁽³⁾	19.187
5.	Wong Thean Soon	1,234,000	1.108	21,364,700 ⁽⁴⁾	19.187
6.	Rosetta Partners Sdn Bhd	25,000,035	22.452	-	-
7.	Mfivesouthsea Sdn Bhd	-	-	25,000,035 ⁽⁵⁾	22.452
8.	KDYMM Sultan Muhammad V Tengku Muhammad Faris Petra Ibni Al-Marhum Sultan Ismail Petra	-	-	25,000,035 ⁽⁶⁾	22.452

⁽¹⁾ Deemed interest by virtue of his substantial shareholdings in Padujade Corporation Sdn Bhd and his daughter's direct shareholdings in the Company pursuant to Section 8(4) & 59(11)(c) of the Companies Act 2016 ("the Act").

⁽²⁾ Deemed interest by virtue of his substantial shareholdings in Gerbang Mahligai Sdn Bhd pursuant to Section 8(4) of the Act.

⁽³⁾ Deemed interest by virtue of MY E.G. Capital Sdn Bhd being a wholly-owned subsidiary of My E.G. Services Berhad pursuant to Section 8(4) of the Act.

⁽⁴⁾ Deemed interest by virtue of his substantial shareholdings in MY E.G. Services Berhad, the holding company of MY E.G. Capital Sdn Bhd pursuant to Section 8(4) of the Act.

⁽⁵⁾ Deemed interest by virtue of Rosetta Partners Sdn Bhd being a wholly-owned subsidiary of Mfivesouthsea Sdn Bhd pursuant to Section 8(4) of the Act.

⁽⁶⁾ Deemed interest by virtue of his substantial interest in Mfivesouthsea Sdn Bhd, the holding company of Rosetta Partners Sdn Bhd pursuant to Section 8(4) of the Act.

ANALYSIS OF SHAREHOLDINGS

AS OF 25th MARCH 2025

ANALYSIS BY SIZE OF HOLDINGS

Size of Shareholdings			No. of Shareholders/ Depositors	Holder Percentage	No. of Shares/ Securities	Holding Percentage
1	-	99	481	16.74	13,446	0.01
100	-	1,000	797	27.74	441,023	0.40
1,001	-	10,000	1,230	42.81	4,468,468	4.01
10,001	-	100,000	275	9.57	9,128,312	8.20
100,001	-	Less than 5% of issued shares	87	3.03	36,695,408	32.96
5% and above of issued shares			3	0.10	60,601,063	54.43
Total			2,873	100.00	111,347,720	100.00

TOP THIRTY (30) SHAREHOLDERS

No.	Name	Shares	Percentage
1	Rosetta Partners Sdn Bhd	24,940,000	22.398
2	Ta Nominees (Tempatan) Sdn Bhd Pledged Securities Account For My Eg Capital Sdn Bhd	15,944,500	14.319
3	Padujade Corporation Sdn Bhd	14,236,328	12.785
4	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For My E.G. Capital Sdn Bhd (MY4715)	5,420,200	4.867
5	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohd Hilmey Bin Mohd Taib	2,329,300	2.091
6	Forever Famous Sdn Bhd	2,300,000	2.065
7	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Upayapadu (M) Sdn Bhd	2,062,100	1.851
8	Redtone Digital Berhad	1,922,000	1.726
9	Hillcove Sdn Bhd	1,569,400	1.409
10	Lim Kok Han	1,364,700	1.225
11	Dato' Sri Mohd Hilmey Bin Mohd Taib	1,334,484	1.198
12	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Thean Soon	1,200,000	1.077

ANALYSIS OF SHAREHOLDINGS
AS OF 25th MARCH 2025

No.	Name	Shares	Percentage
13	Hlb Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Agrobulk Holdings Sdn Bhd	1,100,000	0.987
14	Lee May Lin	1,000,000	0.898
15	Rhb Nominees (Tempatan) Sdn Bhd Terence Wong @ Huang Thar-Rearn	950,000	0.853
16	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Wan Fun (6000627)	717,000	0.643
17	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Terence Wong @ Huang Thar-Rearn	700,000	0.628
18	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Seah Ley Hong	597,300	0.536
19	Splendid Pixel Sdn Bhd	582,500	0.523
20	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Chin (MP0400)	549,800	0.493
21	Lim Yat Kim	513,500	0.461
22	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account For Tan Ah Loy @ Tan May Ling	500,000	0.449
23	RHB Nominees (Tempatan) Sdn Bhd Chan Shook Fun	500,000	0.449
24	CGS International Nominees Malaysia (Asing) Sdn Bhd Exempt An For CGS International Securities Singapore Pte Ltd (Retail Clients)	446,000	0.400
25	Oofy Trading Sdn Bhd	440,500	0.395
26	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Boo Chen Beng (REM188)	432,300	0.388
27	Ultimate Quality Success Sdn Bhd	414,500	0.372
28	Tan Yan Ching	370,000	0.332
29	Yong Chun Shang	361,400	0.324
30	Kamsiah Binti Abu	360,190	0.323
Total		85,158,002	76.465

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting ("30th AGM") of HeiTech Padu Berhad ("the Company") will be held at Casuarina, Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 25th June 2025 at 10:30 a.m. for the following purposes:-

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 st December 2024 together with the Reports of Directors and the Auditors thereon.	Please refer to the Explanatory Note 1
2.	To approve the payment of Directors' Fees up to an amount of RM385,000 for the period from 26 th June 2025 until the next Annual General Meeting of the Company.	Resolution 1
3.	To approve the payment of Directors' benefits for the period from 26 th June 2025 until the next Annual General Meeting of the Company.	Resolution 2
4.	To re-elect the following Directors who are retiring by rotation in accordance with Clause 82 of the Company's Constitution : - (i) Dato' Sri Mohd Hilmey Bin Mohd Taib; (ii) Encik Sulaiman Hew Bin Abdullah; and (iii) Encik Hamzah Bin Mahmood.	Resolution 3 Resolution 4 Resolution 5
5.	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT (Salihin) as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 6
<p>Special Business: To consider and, if thought fit, to pass the following Resolutions with or without modifications:-</p>		
6.	<p>Ordinary Resolution Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act, 2016</p> <p>"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby authorised to issue shares of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued capital of the Company for the time being THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.</p> <p>THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Clause 6 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.</p> <p>AND THAT the Directors of the Company be and are hereby authorized to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the mandate"</p>	Resolution 7
7.	To transact any other business of which due notice shall have been given in accordance with the Act.	

**NOTICE OF THIRTIETH
ANNUAL GENERAL MEETING**

By Order of the Board
HEITECH PADU BERHAD

ZAINAL AMIR BIN AHMAD
(License No. LS 0010080)
(SSM PC No. 202008000998)

Company Secretary

Selangor
30th April 2025

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and vote at the meeting on his/her behalf. The proxy may but need not be a member of the Company and where there are two (2) proxies, the number of shares to be represented by each proxy must be stated.
2. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting except where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the Securities Account.
3. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
4. Where the appointment is executed by a corporation, it must be either under its Common Seal or the hand of its officer or attorney duly authorized.
5. The appointment of proxy may be made in hard copy form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

Hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Electronic form

The form of proxy can be electronically submitted via Tricor's TIIH Online website at <https://tiih.online>. Kindly refer to the Procedure for Electronic Submission of Form of Proxy.

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Last date and time for lodging the proxy form is Monday, 23th June 2025 at 10.30 a.m.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to the vote by way of a poll. Independent Scrutineers will be appointed to conduct the polling process and to verify the results of the poll.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE AGENDA

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements and Reports financial year ended 31st December 2024. Hence, this Agenda is not put forward for voting.
2. The estimated Directors' fees in Ordinary Resolution 1 are calculated based on the current Board size. This resolution is to facilitate the payment of Directors' fees immediately after this AGM until the next AGM to be held in 2026. In the event that the proposed amount is insufficient due to enlarged Board size, approval will be sought at the next AGM for the shortfall.
3. Benefits payable from 26th June 2025 until the conclusion of the next AGM of the Company.

The amount of Directors' benefits payable to Non-Executive Directors comprise meeting allowances from this AGM until the conclusion of the next AGM of the Company pursuant to the Act which shareholders' approval will be sought at this 30th AGM in accordance with Section 230(1) of the Act.

The Directors' benefits payable to the Non-Executive Directors until the next Annual General Meeting of the Company are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the period.

Resolution 2 on the payment of Directors' benefits for the period from 26th June 2025 until the next Annual General Meeting of the Company, sets out in the manner below:-

Special Allowances	Monthly
Chairman Allowance	RM10,000
Founder and Advisor	RM80,000

Meeting Allowances (Per Meeting)	Chairman	Member
Board of Directors Meeting	RM2,500	RM2,000
Audit Committee Meeting	RM2,500	RM2,000
Risk Management Committee Meeting	RM2,500	RM2,000
Nomination & Remuneration Committee Meeting	RM2,500	RM2,000
Integrity & Whistleblowing Board Committee Meeting	RM2,500	RM2,000

The Directors' benefits remain unchanged from the previous year's mandate, with the exception of the Chairman's allowance and a new package for Dato' Sri Mohd Hilmey Bin Mohd Taib. He has entered into a service agreement with the Company on 28th February 2025, under which he has been re-designated from Executive Deputy Chairman to Non-Independent Non-Executive Director / Founder and Advisor effective 1st March 2025. As part of this agreement, he is entitled to a fixed monthly allowance of RM80,000, subject to shareholders' approval at the AGM for the payment of Directors' benefits. No payments have been made to Dato' Sri Mohd Hilmey from March until the AGM and payment will only be disbursed upon shareholders' approval.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

4. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016.

The proposed Ordinary Resolution 7, if approved, will authorise the Directors to issue shares (other than bonus or rights issue) in the Company up to an aggregate amount of not exceeding 10% of the issued capital of the Company without convening a general meeting. The approval is sought to avoid any delay and costs involved in convening a general meeting for such issuance of shares. The authority will expire at the next AGM of the Company.

The purpose of the renewal of general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and/or as consideration for acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Mandate which will rank equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the Act and Clause 6 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

Further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 30th AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the profile of the Directors who are standing for re-appointment and re-election are set out on the pages 88 to 94 of the Annual Report.

The details of the Directors' shareholdings in the Company, are set out on the pages 239 to 241 of the Annual Report.

The resolution in relation to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016, is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company held on 25th June 2024.

Under the previous mandate, the First tranche were issued on 20th June 2024, 5,162,485 new ordinary shares at the issue price of RM1.9173 per placement share and cash proceeds of RM9,898,032.50. While the Second tranche were issued as at 25th July 2024, 4,960,035 new ordinary shares at the issue price of RM2.0100 per placement share and cash proceeds of RM9,969,670.35. The summary of the utilisation of the proceeds is as follows:

No.	Purpose	Further Breakdown	Proposed Utilisation RM'000	Actual Utilisation RM'000
1.	Payment of staff salaries and employer's statutory contributions	Directors / Executive Directors Senior Management Other Employees	500 1,000 8,000	412 823 6,585
2.	Office administrative, utilities and overhead expenses	Office rental Utilities Upkeep of Office Marketing, public relations Motor vehicle running costs	1,200 1,800 300 194 150	988 1,482 247 160 123

**NOTICE OF THIRTIETH
ANNUAL GENERAL MEETING**

3.	Payment to suppliers and creditors	Suppliers and creditors	9,500	7,819
4.	Expenses in relation to the Proposed Private Placement	Professional fees	334	262
Total			22,978	18,901

The resolution, if passed, would provide flexibility to the Directors to undertake fund-raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors consider it to be in the best interests of the Company. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

ADMINISTRATIVE GUIDE

For the 30th Annual General Meeting ("30th AGM") of HeiTech Padu Berhad ("HeiTech" or "the Company")

Date	: Wednesday, 25 th June 2025
Time	: 10.30 a.m.
Venue	: Casuarina, Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia

REGISTRATION

1. Registration will start at **8.30 a.m.** The shareholders are requested to be punctual.
2. Please produce your **ORIGINAL Identity Card ("IC") or Passport (for foreigners)** during registration for verification. **No photocopy of IC or Passport will be accepted.**

After registration and signing on the Attendance List, please vacate the registration area and proceed to the meeting hall.

3. You will be given a wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one wristband. No person will be allowed to enter the meeting hall without wearing the wristband.

There will be no replacement in the event that you lose or misplace the wristband.

4. Please note that you will not be allowed to register on behalf of another person, even with the original IC or Passport of that other person.

ENTITLEMENT TO ATTEND

1. For the purpose of determining the shareholders who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors ("ROD") as at 18th June 2025.

APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at **18th June 2025** shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

Shareholders who appoint proxy(ies) to participate 1st AGM must ensure that the duly executed Form of Proxy are deposited in a hard copy form or by electronic means to Tricor no later than **Monday, 23rd June 2025 at 10:30 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner: -

i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

i) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to procedures below for electronic lodgement of proxy form.

ADMINISTRATIVE GUIDE

Procedure	Action
i. Steps for Individual Members	
a) Register as a User with Tricor's TIIH Online website	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "HEITECH PADU BERHAD 30th AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print Form of Proxy for your record.
ii. Steps for Corporation or Institutional Members	
a) Register as an User with Tricor's TIIH Online website	<ul style="list-style-type: none"> Access TIIH online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> Login to Tricor's TIIH Online website at https://tiih.online Select the corporate event: "HEITECH PADU BERHAD 30th AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

HELP DESK

1. The registration counters will only handle verification of the identity of the shareholder/proxy and his/her shareholding. If you have other queries or need clarification relating to registration, please proceed to the Help Desk.
2. The Help Desk will also handle revocation of proxy appointments.

POLL VOTING

1. The voting at the 30th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and Scrutineer Solutions Sdn Bhd as the Scrutineers to verify the poll results.
2. Upon completion of the voting session for the 30th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration on whether the resolutions are duly passed.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 30th AGM of the Company.

PARKING

1. Parking is complimentary.

DOOR GIFT

1. There will be no door gift given to shareholders who attend the Meeting.

REFRESHMENT

1. Breakfast/Coffee Break will be given on a "free flow" basis.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays): -

Tricor Investor & Issuing House Services Sdn Bhd

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@vistra.com
Contact persons	:	Mohammad Khairudin +603-2783 7973 Mohamad.Khairudin@vistra.com
	:	Nurul Ainee +603-2783 9265 Nurul.Ainee@vistra.com

HeiTech Padu Berhad

Company Secretary's email	:	cosec@heitech.com.my
Contact person	:	Puan Syazreen Yasmin Binti Suyamin
	:	+603-8601 3125

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FORM OF PROXY

CDS Account No.	
No. of Shares Held	

HeiTech Padu Berhad

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

I/We _____ (NRIC No.: _____)

of _____

being a member of HeiTech Padu Berhad hereby appoint _____

(NRIC No.: _____)

of _____

or failing him/her _____ (NRIC No.: _____)

of _____

or failing him/her, *Chairman of Meeting* as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Casuarina, Level G, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 25th June 2025 at 10.30 a.m. or any adjournment thereof.

My/our proxy is to vote as indicated below.

NO.	AGENDA	ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
1.	To receive the Audited Financial Statements for the financial year ended 31 st December 2024 together with the Reports of Directors and the Auditors thereon.				
NO.	ORDINARY BUSINESS	ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
2.	To approve the payment of Directors' Fees up to an amount of RM385,000 for the period from 26 th June 2025 until the next Annual General Meeting of the Company.	1			
3.	To approve the payment of Directors' benefits for the period from 26 th June 2025 until the next Annual General Meeting of the Company.	2			
4.	To re-elect Dato' Sri Mohd Hilmey Bin Mohd Taib who is retiring by rotation in accordance with Clause 82 of the Company's Constitution.	3			
5.	To re-elect Encik Sulaiman Hew Bin Abdullah who is retiring by rotation in accordance with Clause 82 of the Company's Constitution.	4			
6.	To re-elect Encik Hamzah Bin Mahmood who is retiring by rotation in accordance with Clause 82 of the Company's Constitution.	5			
7.	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT (Salihin) as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	6			
8.	Authority to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act, 2016.	7			

Please indicate with an "X" in the space provided, how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

Dated this _____ day of _____ 2025

Signature / Common Seal

For the appointment of two (2) proxies, the number of shares and percentages of shareholding to be represented by each proxy:

Name		No. of Shares	% of shareholding
Proxy 1			
Proxy 2			
Total			100%

Notes:

1. Please refer to the Administrative Guide for the procedures to register, participate and vote at the meeting.
2. Only depositors whose names appear in the General Meeting Record of Depositors or Register of Members as at 18th June 2025 shall be entitled to attend, participate, speak and vote at the meeting.
3. A member of the Company shall be entitled to appoint another person(s) as his/her proxy(ies) to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, in accordance with Section 334(1) of the Companies Act 2016 (Act).
4. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. There shall be no restriction as to the qualification of the proxy.
5. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account and the number of shares to be represented by each proxy must be clearly indicated.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one proxy in respect of each Omnibus Account, the appointment shall not be valid unless the exempt authorised nominee specifies the proportion of the shareholding to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
7. Where the appointment is executed by a corporation, it must be either under its Common Seal or the hand of its officer or attorney duly authorised.
8. The proxy form must be signed by the appointor of the proxy, or its attorney duly authorised in writing. In the case of a corporation, the proxy form shall be executed under its common seal or signed by its attorney duly authorised in writing or by a duly authorised officer on behalf of the corporation.

Please fold here to seal

STAMP

SHARE REGISTRAR
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

Please fold here to seal

9. The appointment of proxy may be made in a hardcopy form or by electronic means as specified below and must be received by the Company not less than forty-eight (48) hours before the time appointed for the holding the 30th AGM, or in the event the 30th AGM is adjourned, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the adjourned 30th AGM:
 - i. **In hard copy form**
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - ii. **By electronic form**
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Procedure for Electronic Submission of Form of Proxy.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Monday, 23rd June 2025 at 10:30 a.m.
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to the vote by way of a poll. Independent Scrutineers will be appointed to conduct the polling process and to verify the results of the poll.



HEITECH PADU BERHAD

199401024950 (310628-D)

Level 15, Menara Insignia, Persiaran Kewajipan, USJ 1,

UEP Subang Jaya, 47600 Subang Jaya,

Selangor Darul Ehsan, Malaysia

T: +(603) 8026 8888 / +(603) 8603 3000

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