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POWERING LIFE

ANNUAL REPORT 2025



HeiTech Power Hub
Level 15, Menara Insignia,
Persiaran Kewajipan, USJ 1,
47600 Subang Jaya,
Selangor Darul Ehsan, Malaysia.



ANNUAL REPORT
2025

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ABOUT THIS ANNUAL REPORT

The Path We've Taken

This Annual Report is more than a record of performance. It reflects a journey rooted in a clear belief: that purpose-built technology can transform lives and nations. Each chapter divider highlights defining moments in HeiTech Padu's history, tracing the milestones that shaped who we are, what we stand for, and how we continue to power everyday life through integration.

Cover Design Rationale

This design bridges the gap between humanity and technology. It transforms internal hardware into a city for mankind, showcasing that technology lies at the back end of every aspect of our lives. Powering it all is HeiTech Padu.

The title "Powering Life" further reinforces this, communicating that technology is what powers our lives today. This intimate approach humanises technology, allowing us to pursue a more advanced future while remaining optimistic about the humanity that will power it.



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



CHAPTER

01

WHAT YOU'LL FIND
IN THIS REPORT

The Spark (1990s - 1993)

Before HeiTech, the team operated as the technology arm of Permodalan Nasional Berhad (PNB) under the name PNBIT. These early teams drove large-scale digitalisation in the public sector, building systems for national institutions and redefining how technology could serve the country. These experiences shaped the expertise of HeiTech Padu's founding members.



BASIS OF THIS REPORT

Introduction to the HeiTech Annual Report

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

As we embark on our seventh year of Integrated Reporting, our primary objective remains to provide a holistic perspective of the Group that reflects our commitment to serving our customers. Our report highlights our goals, hurdles and achievements, all of which are viewed through the lens of our material issues.

Scope

This report provides information on the financial performance for the period of 1st January 2025 to 31st December 2025, as well as updates on business activities, governance and related matters for the period of 1st January 2025 to 31st March 2026.

Reporting Principles


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


Assurance and Approval

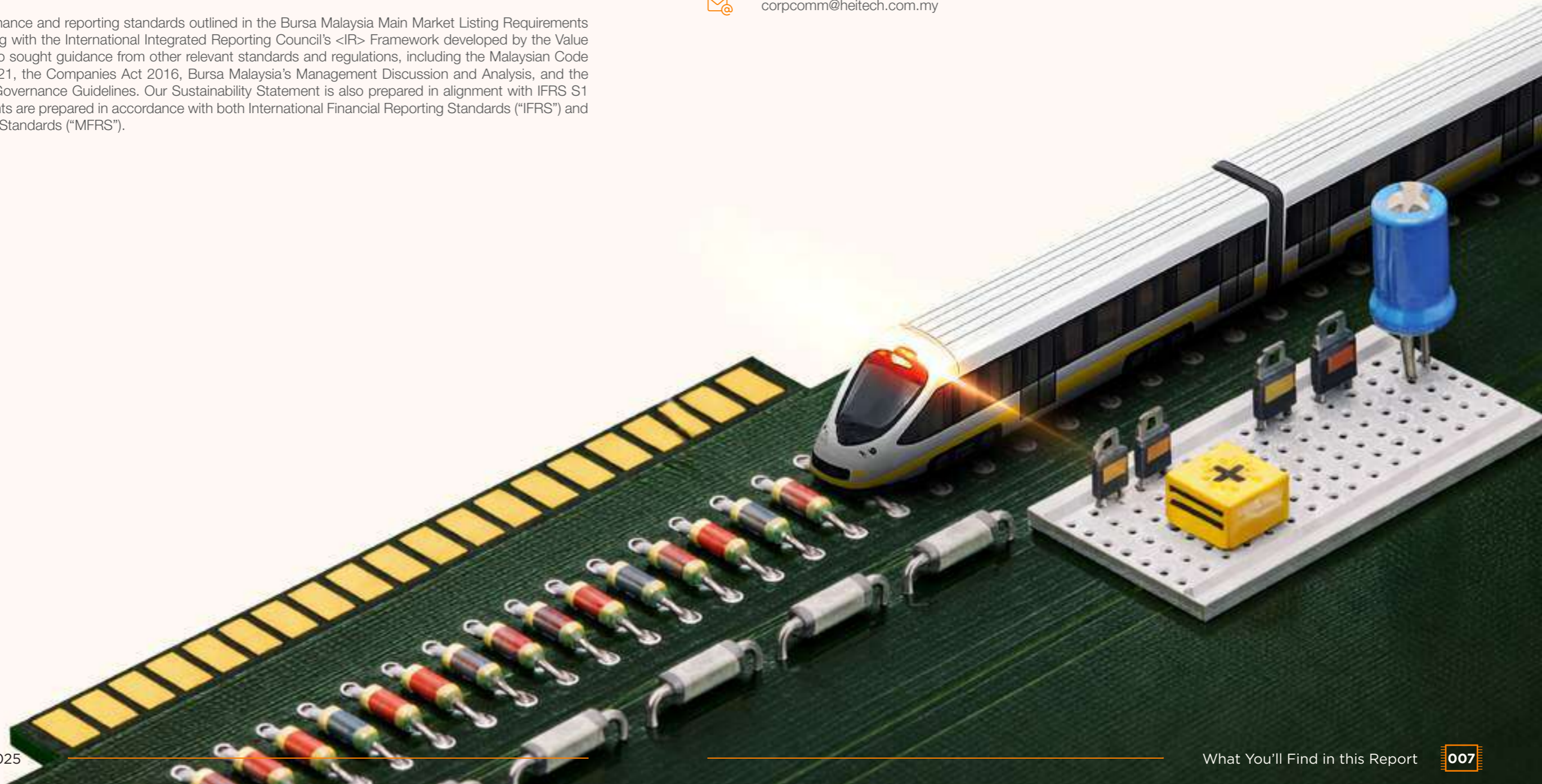
HeiTech's external auditor, Messrs. SBY Partners PLT, has provided assurance on the consolidated Annual Financial Statements and expressed an unmodified audit opinion. Our external sustainability auditors, RC Compliance, has provided limited assurance on our Sustainability Statement.

Feedback

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

 +603-8603 3000

 corpcomm@heitech.com.my





HeiTech

CHAPTER

02

INVESTMENT CASE



A Leap of Faith (1994 - 1996)

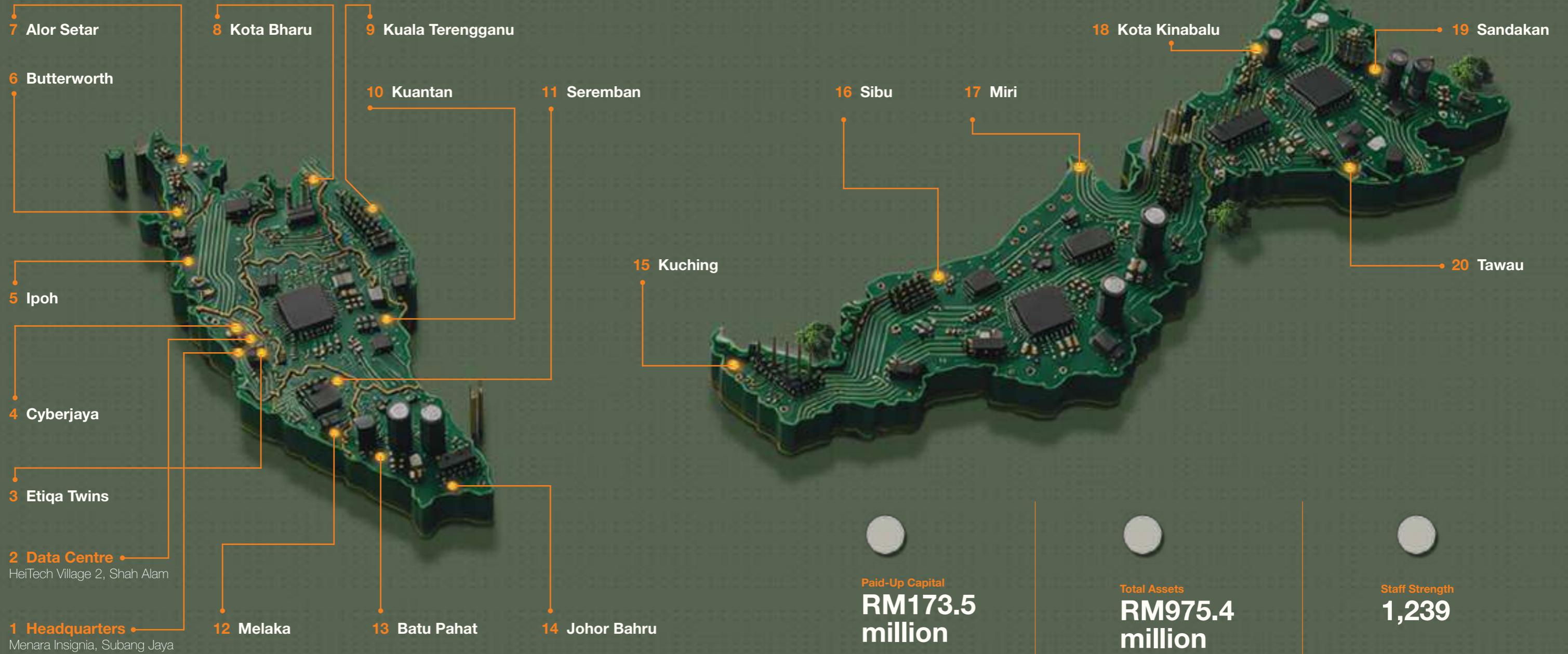
Progress demands courage. In the mid-1990s, PNBIT became an independent entity, rebranded as HeiTech Padu, carrying forward its talent, projects, and expertise. This positioned HeiTech as one of Malaysia's pioneering systems integrators, ready to lead the nation into the dawn of the digital age.

FACTS AT A GLANCE

20 Nationwide Customer Support

Incorporated on
5th August 1994

Listed on Bursa Malaysia
Securities Berhad (Main Market) on
20th November 2000



Paid-Up Capital
RM173.5 million

Revenue
RM651.2 million

Total Assets
RM975.4 million

EBITDA
RM41.3 million

Staff Strength
1,239

Technology Industry
30+ Years

CORPORATE PROFILE

Who We Are

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

Vision

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

Mission

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

Core Values

Integrity	Passion For Excellence	Dynamism	People Centric
<ul style="list-style-type: none"> Accountability Trustworthy Fairness 	<ul style="list-style-type: none"> Service Beyond Expectation Role Model Responsiveness 	<ul style="list-style-type: none"> Stay Ahead Professionalism Versatility 	<ul style="list-style-type: none"> Customer Centric Developing Talent Respect

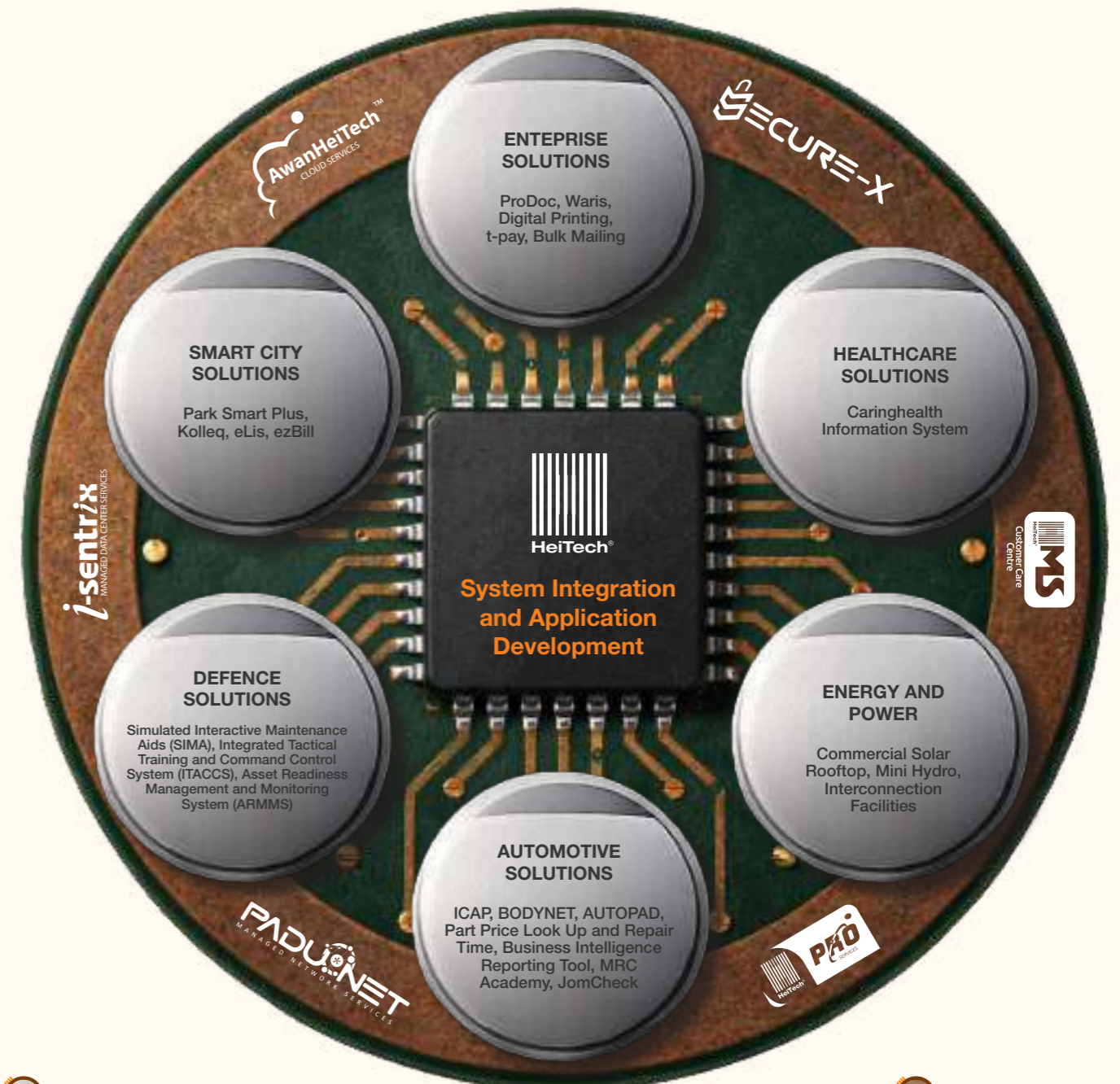
WHO IS HEITECH PADU BERHAD

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

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

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

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



Products and Solutions

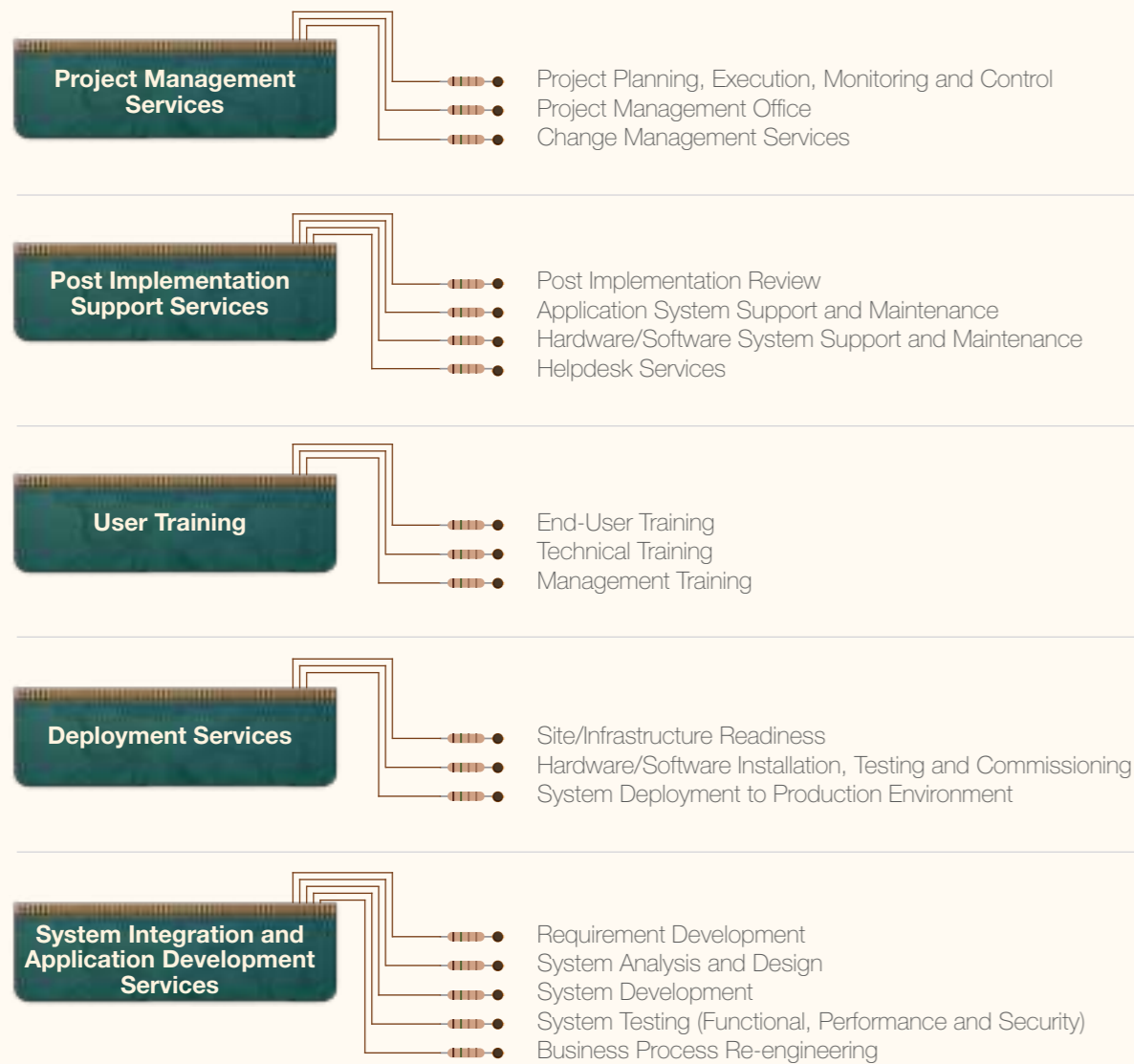
Managed Infrastructure

SYSTEM INTEGRATION AND APPLICATION DEVELOPMENT

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

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

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



PRODUCTS AND SERVICES

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

SMART SOLUTIONS [1]

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

Park Smart Plus ("PS+") is a seamless parking payment application that upgrades the traditional coupon-based parking system. The smart parking application uses an IoT system that sends parking availability data via a mobile device. Using state-of-the-art technology and data-driven solutions, HeiTech's Smart Parking Solution, known as Park Smart Plus, aims to provide peace of mind and improve the quality of life for the people of Malaysia.

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

Our PS+ offerings include:

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

Mobile Application Payment Solutions ("Kolleg")

Kolleg is a revenue-collection ecosystem that helps improve collection and resilience against credit losses. Kolleg is designed to help organisations migrate to a digital-first collection model, modernising how collections are processed and debt is managed.

The Kolleg ecosystem includes customisations, real-time payment updates, marketing support, rewards, and notifications. It integrates sustainability into the revenue-collection strategy and offers attractive commercial offerings.

Kolleg is now being used in Majlis Perbandaran Port Dickson ("MPPD"), Majlis Bandaraya Seberang Prai ("MBSP"), Majlis Bandaraya Kuantan ("MBK"), Majlis Perbandaran Sungai Petani ("MPSP"), Majlis Bandaraya Alor Setar ("MBAS"), Majlis Perbandaran Kulim ("MPKK"), Majlis Daerah Pendang ("MDP"), Majlis Daerah Raub ("MDR"), Perbadanan Putrajaya and Universiti Malaysia Terengganu ("UMT").

Electronic Licensing (“eLis”)

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

The features of the system include:

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

Online Dashboard System (“ezBill”)

ezBill is a dashboard system that assists local councils with operational activities related to the dissemination of notices, assessments, notifications, and distributions. ezBill helps drive prompt payments from customers, track document trails, compile and analyse data through heat maps, and deliver secure documents to thousands of people via email or short messaging services with just a single click.

ENTERPRISE SOLUTIONS

[2]

Document Management System (“ProDoc”)

ProDoc is a document management system that manages the entire document lifecycle, from scanning and asset creation to destruction. The system is equipped with a physical document digitalisation process and a document management system for retrieval and management. Dubbed the Netflix of documents, the system is designed to display documents in a way that makes them easy to access and preserves them for future use. The features of the system include:

- **Will Management System (“Waris”)**

Waris was designed to help people create and manage their inheritance through their will (wasiat). It is a web-based system that makes creating a wasiat both quick and easy. The system comprises of wasiat and hibah creation. The system follows the standard wasiat and hibah process for Majlis Agama Islam Selangor. The system's ultimate objective is to digitally manage the entire ecosystem of wasiat, faraid, and wealth distribution.

- **Electronic Payment and Digital Printing Solutions**

HeiTech through its subsidiary companies' Inter-City MPC (M) Sdn. Bhd. (“ICM”) and Tekkis Sdn. Bhd. (“Tekkis”) offers a range solutions to facilitate a seamless parking payment application, on-demand bulk mailing and digital printing services. These solutions are services to multi-segment markets in Financial Services Institution (“FSI”), Local Authorities (“PBTs”) and Government-Linked Companies (“GLC”).

HEALTHCARE SOLUTIONS

[3]

Hospital Information System (“Caringhealth”)

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

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

ENERGY AND POWER

[4]

HeiTech, through our subsidiary companies, Duta Technic Sdn. Bhd. (“DUTA”) and HeiTech Eco Energy Sdn. Bhd. (“HECO”), offers three main services in the renewable energy sector:

Commercial Solar Rooftop

Involves the installation of solar panels on rooftops. HeiTech offers clients 2 purchase options: an outright purchase or the Zero Investment method, under which the client pays the cost of the solar energy system through a discounted tariff under a Power Purchase Agreement (“PPA”). We provide consultation, design, installation, and maintenance services for rooftop solar systems to help clients reduce their electricity costs and carbon footprint.

Mini Hydro

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

Interconnection Facilities (“IF”)

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

AUTOMOTIVE SOLUTIONS

[5]

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

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

DEFENCE SOLUTIONS

[6]

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

Simulated Interactive Maintenance Aids ("SIMA")

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

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

Integrated Tactical Training and Command Control System ("ITACCS")

ITACCS is an engine that provides the Common Operating Picture ("COP") function for an organisation's operations and simulation needs. ITACCS is currently available for deployment with required customisation. ITACCS is currently available for deployment with the required customisation.

Asset Readiness Management and Monitoring System ("ARMMS")

ARMMS is a homegrown solution that covers the end-to-end process of managing mission operations.

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

ARMMS aims to improve operational efficiency by providing real-time graphical tools and digital interfaces for full visibility into all activities, assets, and personnel. The suite facilitates flight and operations scheduling, covering conflict resolution, currency and qualification information, student assessment and progress, controlled document management, executive reporting facilities, and deployments.

MANAGED INFRASTRUCTURE SERVICES

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



Secure-X Managed Cyber Security Services

As a managed cyber security services provider, we combine key elements of people, processes and technology, offering 24 x 7 security operations and support. The combined experience of our technical expertise allows for deployment of multi-technology, either 'on premise' or hosted solution, handling different security threat landscapes, in accordance with the necessary compliance, regulatory or standards such as Security Management System (ISO/IEC 27001:2013) and Malaysia Personal Data Protection ("PDPA").

Security Management System (ISO/IEC 27001:2013) and Malaysian Personal Data Protection ("PDPA")

We are committed to ensuring the safety and security of customers' critical business data and providing security insights into their systems.

Secure-X is a product suite that delivers leading-edge managed cybersecurity solutions, helping clients achieve their digital transformation goals securely by unlocking value from the latest cybersecurity technologies. Secure-X product suite consists of the following:

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



Padu*Net Managed Network Services

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

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

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



AwanHeiTech Cloud Computing Services

AwanHeiTech is HeiTech's cloud and managed infrastructure services platform, established to support organisations seeking secure, compliant, and locally hosted cloud infrastructure. Built on enterprise-grade virtualisation technologies and supported by HeiTech's Managed Services organisation, AwanHeiTech focuses on delivering private cloud and infrastructure services tailored to mission-critical workloads, particularly for government and regulated industries.

AwanHeiTech provides customers with flexible, subscription-based cloud infrastructure, enabling them to consume computing resources without investing in physical data centre facilities, servers, or core infrastructure. All services are hosted locally and managed by HeiTech in accordance with agreed service levels and governance requirements.

AwanHeiTech's core cloud service offerings include:

- **Infrastructure as a Service ("IaaS")**
Virtual compute, storage, and network resources delivered on a subscription basis.
- **Virtual Private Data Centre ("vPDC")**
Dedicated and logically isolated cloud environments designed for enterprise and government workloads, with configurable compute, storage, and network resources.
- **Backup as a Service ("BaaS")**
Centralised backup services with defined retention policies, supporting business continuity and data protection requirements.
- **Disaster Recovery as a Service ("DRaaS")**
Replication and recovery services designed to support system resiliency and disaster recovery objectives, including planned DR testing and failover support. These services are complemented by HeiTech's Managed Infrastructure Services, covering 24x7 monitoring, incident management, capacity management, patching, and operational support.

AwanHeiTech is positioned to support customers that prioritise data sovereignty, regulatory compliance, operational reliability, and predictable cost structures, rather than hyperscale public cloud consumption models.



i-Sentrix Managed Data Centre Services

We own and manage a Tier-IV-ready Data Centre, providing world-class services for developing, building, and managing data centre facilities for our clients. The combination of experience and technical certification such as Information Security Management System (ISO/IEC 27001:2022), Quality Management System (ISO/IEC 9001:2015) has enabled us to provide the high standard of qualities that meets the demand of many organisations in terms of service level, availability, data integrity and security.

Our suite of Data Centre Services consists of:

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



Pro*Services ICT Maintenance and Deployment

We offer ICT Maintenance and Deployment services nationwide, particularly for organisations with multiple branches. Our dedicated on-site engineers provide 24x7x365 support to customers by addressing issues and performing rectifications. With the establishment of 16 Universal Service Centres ("USC") nationwide, we have expanded our services to include data recovery services, telco value-added services and ICT hardware repair services.

Our suite of services consists of:

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



Customer Care Centre: One-Stop Support Centre

HeiTech, through our 24-Hour Helpdesk Services, helps our customers deliver precise, timely, and efficient customer resolution and back-end support through a range of comprehensive solutions.

Our service offerings comprises of:

Incident Management

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

Service Level Management and Reporting

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

Network Monitoring of Branch Connectivity

- Monitoring services for customers' branch online connectivity using Network Management systems

Onsite Support Services

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

SIMPLIFIED SELECTED FIVE (5) YEARS GROUP REVIEW

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
REVENUE					
Network Services Fees	54,259	52,671	42,331	56,865	48,301
System Application and Development	63,017	54,035	41,528	69,349	434,022
Disaster Recovery and Facility Management Services	23,857	20,097	14,097	17,108	23,679
Maintenance of Hardware, Software and Application	79,353	96,669	67,635	97,431	52,758
Managed Security Services	20,078	31,571	24,429	33,315	35,329
Mailing and Document Processing Services	1,680	1,994	14,204	17,624	16,613
Engineering Works	1,581	1,629	9,850	5,096	1,224
Database Management Services	18,009	19,799	10,679	12,698	15,667
Software Support and Licence Fees	653	653	858	408	238
Smart Parking Services	-	5,707	17,947	17,433	14,395
Net Gain on Sublease	-	-	24,299	-	-
Others	7,015	9,028	10,005	9,644	8,972
	269,502	293,853	277,862	336,971	651,198

	2021	2022	2023	2024	2025
PROFITABILITY					
(Loss)/Profit Before Tax (RM'000)	(16,128)	(9,322)	8,567	5,527	22,661
(Loss)/Profit Before Tax Margin (%)	-6.0%	-3.2%	3.1%	1.6%	3.5%
(Loss)/Profit After Taxation (RM'000)	(16,381)	(10,039)	7,168	7,058	18,991
(Loss)/Profit Attributable to Shareholders (RM'000)	(15,778)	(9,869)	7,160	6,706	20,512
Earnings per Share (RM)	-0.1559*	-0.0977*	0.0707*	0.0632**	0.1728***

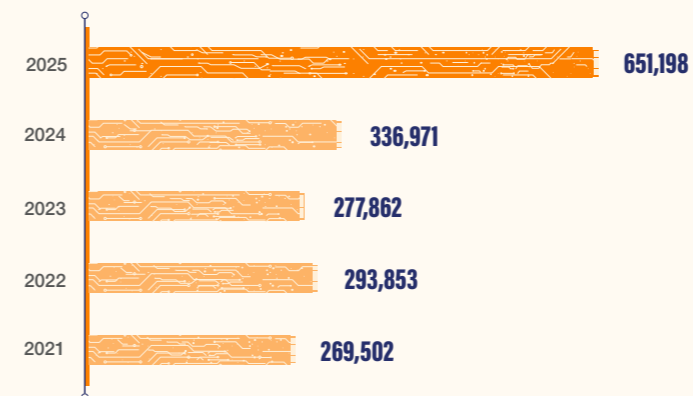
* Based on the weighted average of 101,225,000 ordinary shares of RM1.00 each

** Based on the weighted average of 111,348,000 ordinary shares of RM1.00 each

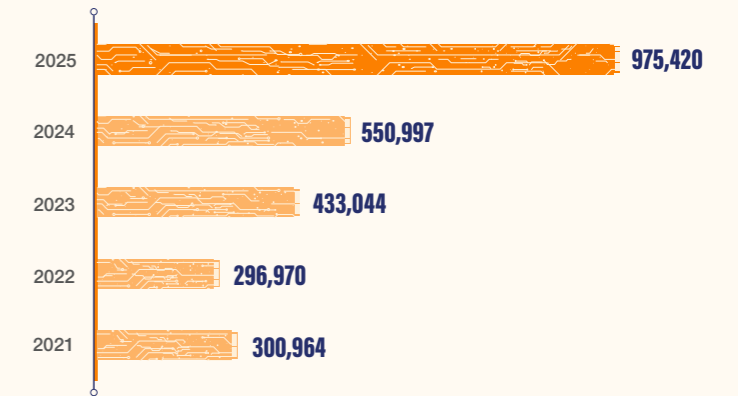
*** Based on the weighted average of 135,148,000 ordinary shares of RM1.00 each

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
ASSETS EMPLOYED					
Total Assets (RM'000)	300,964	296,970	433,044	550,997	975,420
Non-Current Assets (RM'000)	110,111	109,657	191,633	177,848	167,507
Net Current Assets (RM'000)	26,383	7,994	14,257	38,997	108,636
Current Ratio	1.16	1.04	1.06	1.12	1.16
Gearing Ratio	54.2%	62.3%	50.9%	52%	58%
Debt/Equity Ratio (%)	1.66	1.92	1.33	2.02	2.98
Shareholders' Fund (RM'000)	106,174	96,831	153,524	182,258	245,295
Net Tangible Assets per Share (RM)	0.94	0.82	1.33	1.50	1.71
Share Capital (RM'000)	117,751	117,751	117,751	136,652	173,542
Share Capital units ('000)	101,225	101,225	101,225	111,348	135,148

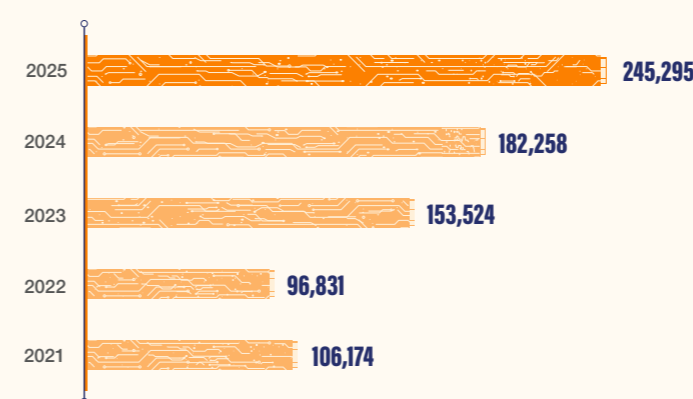
Revenue (RM'000)



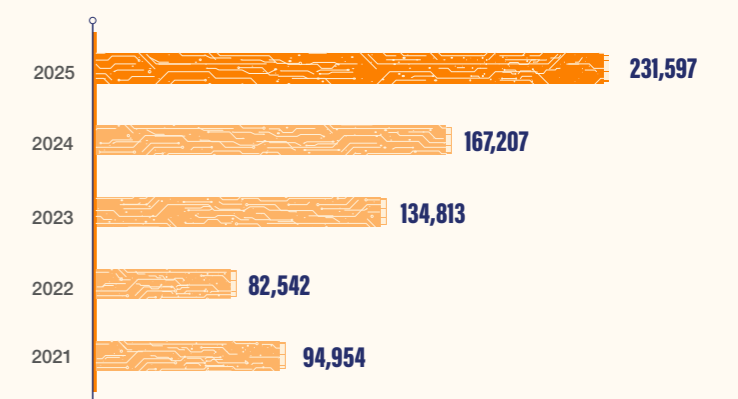
Total Assets (RM'000)



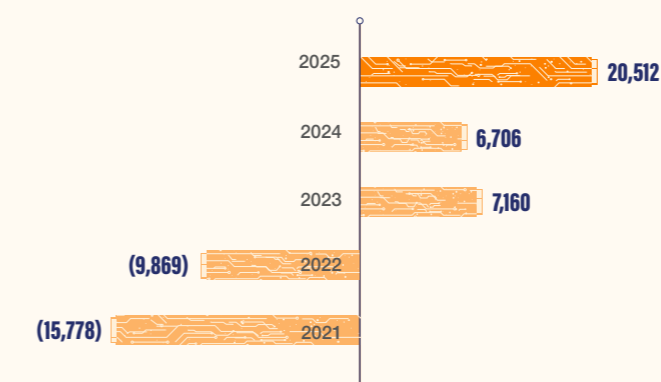
Shareholders' Fund (RM'000)



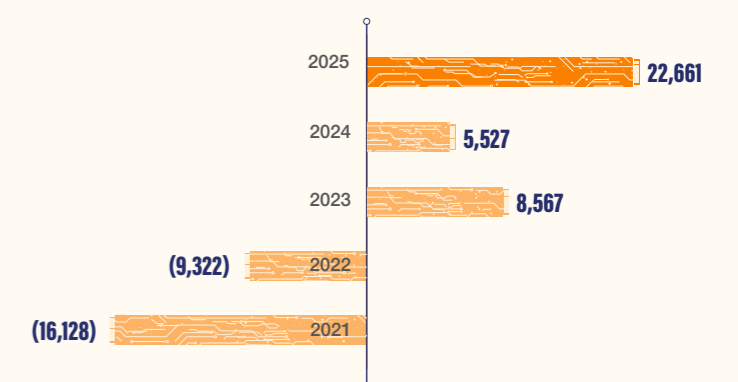
Net Tangible Assets (RM'000)



(Loss)/Profit Attributable to Shareholders (RM'000)



Profit/(Loss) Before Tax (RM'000)



LEADERSHIP STATEMENTS

Connecting Foundations (1997 - 2002)
Supported by the momentum of Malaysia's former Multimedia Super Corridor (MSC) initiative, HeiTech expanded its systems-integration and IT services for key government agencies, delivering critical public-sector infrastructure. This growth culminated in the Company's successful Bursa Malaysia listing, marking its public-market debut and cementing HeiTech as a trusted national technology partner.

CHAPTER 03





FROM THE DESK OF THE FOUNDER AND ADVISOR

DATO' SRI MOHD HILMEY BIN MOHD TAIB

Founder and Advisor



Dear Shareholders,

Assalamualaikum and Salam Sejahtera,

HeiTech's journey has always been anchored in building a sustainable and value-driven technology enterprise, delivering mission-critical digital solutions while upholding strong governance, technical excellence and long-term responsibility.

Over the past three decades, the Group has evolved alongside Malaysia's digital transformation, supporting key national systems and contributing to the development of a more connected and resilient economy. This legacy continues to guide our direction today.

The financial year 2025 marks an important phase in HeiTech's continued development. The progress achieved during the year reflects a clearer sense of direction, strengthened organisational discipline and an ongoing commitment to delivering sustainable long-term value. While the operating environment remains dynamic, the Group has taken measured steps to reinforce its foundations while positioning itself for future growth.

As HeiTech advances, the principles upon which it was built, namely integrity, accountability and service excellence, remain unchanged. These values continue to shape how the Group operates, engages with stakeholders and fulfils its responsibilities as a trusted technology partner. At the same time, expectations placed on technology

companies continue to evolve. Beyond performance, there is increasing emphasis on resilience, governance and the ability to deliver solutions that are both reliable and sustainable. HeiTech recognises this shift and remains focused on strengthening its capabilities in a disciplined and responsible manner.

Looking ahead, the Group will continue to build on its experience, strengthen its core competencies and pursue opportunities that align with its long-term direction. This includes deepening its role in national digital infrastructure while expanding into areas that support sustainable growth and innovation.

On behalf of the Group, I extend my sincere appreciation to our shareholders, customers, partners and employees for your continued trust and support.

Thank you.



CHAIRMAN'S STATEMENT

**YM TOH MUDA DATO' RIZAL ASHRAM
BIN TUN DATO' SERI UTAMA RAMLI**

Chairman

Dear Shareholders,

Assalamualaikum and Salam Sejahtera,

The financial year 2025 reflects a year of stronger financial performance, enhanced execution discipline and continued progress in strengthening HeiTech's operational and governance foundations.

During the year, the Group delivered improved results, supported by higher project execution activities, tighter cost controls and strengthened project governance. While these outcomes are encouraging, the Board remains focused on ensuring that performance is achieved in a disciplined and sustainable manner.

In a landscape characterised by rapid technological change, margin pressures and increasing stakeholder expectations, the Board places strong emphasis on governance, risk management and long-term value creation. Maintaining a balanced approach between growth and financial discipline remains central to the Group's direction.

The Board also recognises the importance of maintaining a prudent capital structure. While borrowings increased during the year to support operational requirements, continued focus is placed on capital efficiency, liquidity management and strengthening the Group's financial resilience.

At the same time, the Board continues to oversee the Group's efforts in strengthening its organisational structure, enhancing accountability and reinforcing internal controls. These measures are critical in supporting consistent execution and improving overall operational effectiveness.

Looking ahead, the Board remains mindful of the competitive environment and evolving industry dynamics. While the Group is better positioned, continued discipline in execution, governance and financial management will be essential in sustaining performance over the long term.

On behalf of the Board, I would like to express our appreciation to Management, employees, customers, partners and shareholders for their continued commitment and support.

Thank you.



A MESSAGE FROM THE EXECUTIVE DIRECTOR

SANDRARUBEN NEELAMAGHAM

Executive Director

Dear Shareholders,

Salam Sejahtera,

The financial year 2025 represents a year of stronger financial performance, improved operational discipline and continued execution of the Group's strategic priorities.

For the year under review, the Group recorded revenue of RM651.2 million, representing an increase of 93% year-on-year, while profit after taxation rose to RM18.9 million. This performance was driven by higher project execution activities, particularly within the public sector, supported by improved cost management and strengthened project governance.

The Public Sector Group remained the primary contributor to revenue during the year, underpinned by the delivery of major system integration and infrastructure projects. While this provides a stable foundation, the Group continues to focus on diversification and margin improvement to enhance earnings quality and reduce concentration risk over time.

Margin management remains a key priority. During the year, the Group strengthened its cost discipline through tighter project monitoring, improved procurement practices and enhanced billing and collection processes. These measures are essential to ensure that revenue growth translates into sustainable profitability.

The Group's balance sheet expanded in line with increased project activity, with total assets rising to RM975.4 million. Borrowings also increased to support working capital requirements. Maintaining a prudent capital structure, while improving capital efficiency, remains a key focus moving forward.

Operationally, HeiTech continued to secure and deliver key national projects while advancing its capabilities in infrastructure modernisation and digital solutions. At the

same time, the Group strengthened its growth platforms through strategic collaborations in artificial intelligence, cloud computing and next-generation digital services.

During the year, the Group also undertook organisational realignment initiatives to enhance efficiency, accountability and execution discipline. These efforts, together with strengthened risk management frameworks, are expected to support more consistent delivery and improved financial outcomes over time.

From a strategic perspective, the Group remains focused on three key priorities:

- strengthening core revenue streams while improving margins;
- enhancing capital discipline and balance sheet resilience; and
- expanding into higher-value, technology-driven segments to support long-term growth.

Looking ahead, while the operating environment remains competitive, the Group is better positioned with a stronger order book, improved operational discipline and clearer strategic direction. Our focus remains on delivering sustainable earnings, strengthening returns and creating long-term value for shareholders.

On behalf of the Management, I would like to thank the Board, employees, customers, partners and shareholders for your continued support.

Thank you.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

HeiTech Padu Berhad stands as one of Malaysia’s most established and respected technology solutions providers, with more than three decades of experience in driving innovation and digital excellence within the Information and Communication Technology (“ICT”) industry. Renowned for its reliability, technical depth, and strong governance framework, the Group has consistently delivered high-quality, mission-critical solutions to both public- and private-sector clients. Over the years, HeiTech has played a pivotal role in advancing Malaysia’s digital landscape, supporting national aspirations toward a more connected, efficient, and technology-driven economy.

Since its incorporation, HeiTech has been a strategic partner in enabling digital transformation, particularly across government ministries and agencies. The company is widely recognised for its ability to design and implement comprehensive, end-to-end ICT solutions tailored to complex operational needs. From system architecture and integration to deployment, optimisation, and long-term support, HeiTech has been instrumental in strengthening e-government platforms and other large-scale digital initiatives. Its strong track record in executing high-impact projects has solidified its reputation as a trusted technology partner committed to service excellence and long-term value creation.

The Group is a technology solutions provider with core competencies in system integration, IT consultancy, managed services, custom software development, cybersecurity, and robust IT infrastructure solutions. Leveraging its extensive industry experience and technological capabilities, the Group delivers integrated digital solutions that support the evolving needs of organisations across both public and private sectors.

In line with its long-term growth strategy and commitment to sustainability, the Group is also expanding its capabilities in renewable energy, positioning itself to capture emerging opportunities in sustainable infrastructure while continuing to deliver value-driven and innovative services to its stakeholders.

Complementing its service capabilities, HeiTech owns and operates a TIA-942 Rated 3 certified data centre in Bukit Jelutong, Selangor, purpose-built to ensure high availability, resilience, and security for mission-critical operations. This advanced facility reflects the Group’s commitment to operational reliability and its capability to deliver secure and scalable digital environments for its clients.

Together, these capabilities strengthen the Group’s market position while supporting sustainable growth and long-term resilience.

“We are Customer Focused”

HeiTech Padu Berhad places the highest priority on customer satisfaction by delivering IT solutions and services that are tailored to meet the unique requirements of each client. The Group is dedicated to building long-term relationships through value-added solutions and reliable support. HeiTech’s services and operational processes are certified to internationally recognised standards, ensuring quality, integrity, and security. Key certifications maintained by the Group include:

<p>MS ISO 9001:2015 Quality Management System.</p> <p>Certified Since: 1997</p>	<p>MS ISO 37001:2016 Anti-bribery Management System.</p> <p>Certified Since: 2020</p>	<p>ISO/IEC 27001:2022 Information Security Management System.</p> <p>Certified Since: 2006</p>
<p>ISO/IEC 22301:2019 Business Continuity Management System.</p> <p>Certified Since: 2018</p>	<p>Test Maturity Model integration (“TMMi”) Level 3.</p> <p>Certified Since: 2017</p>	<p>Capability Maturity Model integration (“CMMi”) Level 3 under CMMi Institute.</p> <p>Certified Since: 2006</p>
<p>Payment Card Industry Data Security Standards (“PCI DSS”).</p> <p>Certified Since: 2018</p>	<p>Threat Vulnerability Risk Assessment (“TVRA”).</p> <p>Since: 2019</p>	<p>Network Resilience & Risk Assessment (“NRA”).</p> <p>Since: 2022</p>
<p>ANSI/TIA-942-B:2017 Rated-3.</p> <p>Since: 2021</p>		

To further enhance its standards of practice, HeiTech has also developed proprietary management and evaluation systems, including:

- Project Management Information System (“PROMISE”)
- Application Development Information System (“ADVISE”)
- Product Evaluation for Compliance Information System (“Precise”)

HeiTech’s commitment to excellence has also been recognised externally. The Group was awarded the BrandLaureate Digitech Best Brands Award 2025–2026 for Government Digitalisation & ICT Solutions, reflecting its leadership and trusted reputation in the digital solutions space.

Through these certifications, proprietary systems, and external recognition, HeiTech ensures its services surpass customer expectations while adhering to the highest standards of quality, compliance, and operational excellence.



Operational Highlights

HeiTech continues to operate in an environment shaped by increasing demand for reliable digital infrastructure and mission-critical technology systems, particularly within the public sector. As government agencies accelerate digital transformation initiatives, the need for secure and integrated ICT solutions continues to grow. In response, the Group remains focused on strengthening its operational capabilities and reinforcing its role as a trusted technology partner in the delivery of national digital infrastructure.

Strengthening National Digital and Energy Infrastructure

FY2025 was marked by continued execution of mission-critical national systems. In January 2025, the Group secured an extension of the comprehensive maintenance contract for the MyIMMs application system at Jabatan Imigresen Malaysia, reaffirming HeiTech's trusted position in managing high-impact immigration infrastructure.

HeiTech's involvement in strategic national projects remains central to the Group's market positioning. During the financial year under review, the Group focused on strengthening stakeholder engagement, improving Service Level Agreement ("SLA") compliance, and enhancing project milestone monitoring.

In February 2025, HeiTech accepted the Life Extension Programme for the Sungai Perak Hydroelectric Scheme covering Stesen Janakuasa Temegor, Bersia and Kenering. This initiative reflects the Group's technical depth in managing complex infrastructure modernisation programmes while supporting national energy continuity objectives. The project underscores HeiTech's expanding capability in sustainability-linked infrastructure solutions and long-term asset lifecycle management.

In December 2025, HeiTech was awarded a contract by the Ministry of Health for the supply, installation, and commissioning of ICT equipment and network upgrades at Miri Hospital, Sarawak. This project further strengthens the Group's presence in healthcare digital infrastructure and reinforces its role in supporting essential public services.

Collectively, these engagements demonstrate the Group's capability in sustaining long-term government and commercial relationships while maintaining operational reliability in critical environments.

Strategic Technology Partnerships and AI Expansion

Recognising that sustainable growth requires collaboration, HeiTech continues to explore strategic partnerships to develop new commercial ventures, expand service capabilities, and enter adjacent technology segments where the Group's competencies can deliver competitive advantage. The Group is also exploring opportunities in selected international markets, leveraging its experience in delivering national-scale technology projects, with expansion expected to be measured and partnership-driven. At the same time, HeiTech remains focused on strengthening its technology capabilities and intellectual property portfolio through the development and protection of proprietary solutions, enhancement of cybersecurity infrastructure, and the maintenance of secure IT environments that minimise system downtime. These efforts support innovation while reinforcing the Group's long-term competitiveness.

In April 2025, HeiTech entered into a Memorandum of Understanding with Huawei Technologies (Malaysia) Sdn Bhd and Zetrix AI Berhad to jointly explore AI-enabled smart government services and cloud computing solutions. Under this collaboration framework, HeiTech and Zetrix AI Berhad will contribute application demand scenarios, while Huawei provides the underlying technology platform. During the same period, HeiTech signed an MOU with Hong Kong-listed Maiyue Technology Limited to establish a strategic AI computing power centre. The initiative aims to deliver high-performance computing services to local users via 10-gigabit optical networks, positioning the Group within the emerging AI infrastructure ecosystem.

These partnerships reflect HeiTech's forward-looking strategy to strengthen its capabilities in cloud architecture, artificial intelligence, and next-generation digital services.

Brand Recognition and Governance Excellence

The Group's operational performance and governance standards were recognised externally during the year. In January 2025, HeiTech received the Brandlaureate Digitech Best Brands Award 2025–2026 for Government Digitalisation & ICT Solutions, affirming its market positioning and brand strength within the technology sector.

In September 2025, HeiTech was honoured with the Corporate Integrity Framework Malaysia ("CIFM") recognition by MCMC. This recognition reinforces the Group's commitment to integrity, transparency and responsible corporate conduct.

These recognitions strengthen stakeholder confidence and enhance the Group's reputation as a credible and governance-driven technology partner.

Operational Excellence and Organisational Realignment

During the year, the Group undertook structural adjustments to improve operational efficiency and accountability. These included the realignment of the organisational structure, consolidation of overlapping functions, and stronger oversight of acquisitions performance.

Human capital development remains equally important, as the Group recognises that its sustainability is closely linked to the strength of its workforce. Initiatives include strengthening talent retention strategies for critical technical roles, implementing structured succession planning, and enhancing employee engagement alongside workplace improvements that support staff wellbeing. Despite a competitive operating environment and evolving regulatory expectations, the Group remains focused on disciplined execution, governance integrity, and sustainable growth. Supported by its strengthened organisational structure and the strategic roadmap under the Master Business Plan 2026, the Board and Management remain confident that the initiatives implemented will enhance operational stability and deliver long-term value to shareholders.

The Group also enhanced monitoring of project achievement and billing collection cycles to strengthen operational discipline and financial management. At the same time, investments in workplace infrastructure and employee support initiatives were undertaken to support staff productivity and engagement.

Positioning for Sustainable Growth

The operational developments in FY2025 reflects a balanced strategy of execution stability and future-oriented expansion. While the Group remains anchored in strategic national contracts, it is progressively investing in AI, cloud and infrastructure modernisation capabilities to secure long-term competitiveness.

The combination of contract extensions, new public-sector wins, infrastructure modernisation projects and technology partnerships demonstrates a disciplined approach to growth aligned with the business plan for 2026 and beyond. Despite a competitive landscape, the Group was successful in securing service extensions and new ventures in 2025 to date, listed as follows:

17 JANUARY 2025	HeiTech secured an extension of the contract for Perkhidmatan Penyelenggaraan Sistem Aplikasi MyIMMs secara komprehensif at Jabatan Imigresen Malaysia, valued at RM28.25 million.
28 JANUARY 2025	HeiTech received an Award from Brandlaureate Digitech Best Brands Awards 2025-2026 for Government Digitalisation and ICT Solutions
24 FEBRUARY 2025	Accepted the Life Extension Programme ("LEP") for the Sungai Perak Hydroelectric Scheme covering Temegor, Bersia and Kenering, with HeiTech's portion valued at RM902.96 million.
10 APRIL 2025	HeiTech entered into a Memorandum of Understanding ("MOU") with Huawei Technologies (Malaysia) Sdn Bhd and Zetrix AI Berhad on future collaboration on the cloud and AI enabled smart government services. HeiTech entered into MOU with Maiyue Technology Limited ("MTL"), to collaborate in establishing a strategic partnership in the field of AI computing power cloud services. Both parties will integrate high – quality resources to jointly build an AI computing power centre, providing efficient AI computing services for local users.
23 SEPTEMBER 2025	HeiTech was honoured with Corporate Integrity System Malaysia ("CIFM") recognition from MCMC, reinforcing the Group's reputation as trusted and responsible technology partner in the industry.
30 DECEMBER 2025	HeiTech was awarded a contract by the Ministry of Health ("KKM") for the supply, installation, and commissioning of ICT equipment and network upgrades at Miri Hospital, Sarawak valued at RM17.62 million.

7 APRIL 2026	HeiTech received an Award from Trend AI for Million Dollar Account Partner FY2025.
8 APRIL 2026	HeiTech secured a collaboration with SUSE Southeast Asia to support Malaysia's digitalization efforts, particularly in advancing cloud native capabilities.
15 APRIL 2026	HeiTech was awarded by Fortinet for Top Advocate Partner and Top Public Sector Partner FY2025.
16 APRIL 2026	HeiTech Padu Berhad is recognised as a founding member of the National Tech Association of Malaysia ("PIKOM"), reflecting its longstanding involvement in supporting and shaping the country's ICT industry.
28 APRIL 2026	HeiTech received an award as the Accelerated Growth Partner from xFusion, supporting the expansion of advanced computing and digital infrastructure capabilities.
30 APRIL 2026	HeiTech was awarded by Hewlett Packard Enterprise ("HPE") for Top Public Sector Partner FY2025.

Challenges

The Group continues to navigate several operational and strategic challenges while strengthening its organisational resilience. As part of this effort, HeiTech is undertaking a structured review of its subsidiary portfolio to improve capital efficiency and ensure closer alignment with the Group's long-term strategic priorities. This includes corporate streamlining initiatives, enhanced governance reporting across subsidiaries, and the evaluation of underperforming or non-core segments to ensure that each entity contributes meaningfully to overall Group performance. At the same time, the Group remains committed to maintaining strong regulatory compliance and corporate governance practices, including adherence to ISO standards and best practice frameworks, Bursa Malaysia Listing Requirements, and statutory obligations.

The Group continues to monitor key risk areas, including project execution risks associated with large-scale national contracts, margin pressures from competitive tender environments, and talent retention within specialised technology domains. In response, HeiTech is strengthening risk monitoring frameworks, enhancing internal controls, and improving oversight mechanisms at both operational and Board levels. Leveraging its core competencies in public sector digital infrastructure, cybersecurity solutions, and systems integration, the Group remains focused on strengthening tender oversight while expanding opportunities within existing client accounts to support sustainable long-term growth.

Financial Overview

Summary of Group Financial Overview

The summary of HeiTech Padu Berhad Group Financial is illustrated as below:

Item	2025	2024	Variance
	(RM'Mil)	(RM'Mil)	(RM'Mil)
Revenue	651.2	336.9	314.3
Other income	2.8	13.9	(11.1)
Expenses	(631.5)	(345.3)	(286.2)
Profit before tax	22.5	5.5	17.0
Taxation	(3.6)	1.5	(5.1)
Profit after tax	18.9	7.0	11.9

FY2025 saw a marked improvement in the Group's results, with revenue rising to RM651.2 million from RM336.9 million previously, supported by stronger project execution and increased business momentum. This results in an increase in the Profit After Tax of RM18.9 million for 2025 as compared RM7.0 million in 2024.

Breakdown of Revenue by Segment

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

Revenue by Market Group	2025	2024	Variance
	(RM'Mil)	(RM'Mil)	(RM'Mil)
PBG	518.5	182.9	335.6
PSG	76.9	94.3	(17.4)
IG	55.8	59.7	(3.9)
Total revenue	651.2	336.9	314.3

The Group's revenue growth in FY2025 was mainly driven by the Public Business Group ("PBG"), which increased significantly to RM518.5 million from RM182.9 million in FY2024, supported by ongoing business activities and project execution, with relatively reasonable good margins. The improvement in profitability was largely driven by scale and the contribution from large system integration contracts. The Group's revenue was primarily driven by ongoing strategic projects, system enhancement initiatives and recurring maintenance contracts. Revenue performance reflected continued execution of key projects, including NIISE, JPJ Revamp, and LEP, which remain central to the Group's order book.

The Private Sector Group ("PSG") recorded revenue of RM76.9 million compared to RM94.3 million in FY2024, while the Infrastructure Group ("IG") remained relatively stable at RM55.8 million. Overall, revenue composition continues to be anchored by public sector contributions, providing a stable base, while the Group continues to strengthen its private sector presence to support diversification and long-term sustainability.

Public Business Group (“PBG”)

The breakdown of PBG’s revenue by service offering is as follows:

Revenue Type	2025	2024	Variance
	(RM’Mil)	(RM’Mil)	(RM’Mil)
Network-Related Services	-	0.7	(0.7)
Cloud-Related Services	-	0.2	(0.2)
System Application and Development	432.2	65.8	366.4
Maintenance Charges	46.0	89.7	(43.7)
Disaster Recovery and Facility Management	13.3	8.0	5.3
Managed Security Services	27.0	18.4	8.6
Others	-	0.1	(0.1)
Total	518.5	182.9	335.6

The Public Business Group (“PBG”) remained the Group’s main growth driver during the year. Revenue increased significantly to RM518.5 million in 2025 from RM182.9 million in 2024, mainly driven by the strong performance of System Integration Services, which rose substantially following the implementation of several major public sector projects. Meanwhile, revenue from Managed Infrastructure Services and HeiTech Healthcare Solutions declined when compared to the previous year, while HeiTech Defence System recorded notable growth supported by increased project activities.

Private Sector Group (“PSG”)

The detailed breakdown of PSG revenue is as follows:

Revenue Type	2025	2024	Variance
	(RM’Mil)	(RM’Mil)	(RM’Mil)
Network Related Services	45.6	52.9	(7.3)
Cloud Related Services	2.9	3.1	(0.2)
System Application and Development	1.6	3.5	(1.9)
Maintenance Charges	6.6	6.6	-
Disaster Recovery and Facility Management	10.4	9.1	1.3
Managed Security Services	8.2	14.9	(6.7)
Software Support and Licence Fees	0.2	0.4	(0.2)
Others	1.4	3.8	(2.4)
Total	76.9	94.3	(17.4)

The Private Sector Group (“PSG”) recorded revenue of RM76.9 million in 2025, down 18.45% from the RM94.3 million recorded in 2024. The decline was mainly attributed to lower contributions from Infrastructure Managed Services and System Integration Services, reflecting reduced project activities within the private sector during the year.

Investment Group (“IG”)

The detailed breakdown of IG revenue is as follows:

Revenue Type	2025	2024	Variance
	(RM’Mil)	(RM’Mil)	(RM’Mil)
System Application and Development	0.3	-	0.3
Maintenance Charges	0.1	1.1	(1.0)
Engineering Works	1.2	5.1	(3.9)
Mailing and Document	16.6	17.6	(1.0)
Database Management Services	15.7	12.7	3.0
Smart Parking Services	14.3	17.5	(3.2)
Others	7.6	5.7	1.9
Total	55.8	59.7	(3.2)

The Investment Group (“IG”) recorded revenue of RM55.8 million in FY2025 compared to RM59.7 million in FY2024. The performance was supported by higher contributions from database management activities, which increased by approximately RM3.0 million, partially offset by lower contributions from engineering works and smart parking. Overall, IG’s portfolio remains diversified although slightly declining but continues to serve primarily as a supporting income stream rather than a key growth driver for the Group.

Revenue by Geographical Segment

Revenue Type	2025	2024	Variance
	(RM’Mil)	(RM’Mil)	(RM’Mil)
Malaysia	651.2	336.9	314.3
Total Revenue	651.2	336.9	314.3

The Group geographical segments are classified based on the location of operations, namely Malaysia. In 2025, Malaysia remained the sole contributor to the Group’s revenue with the total of RM651.2 million.

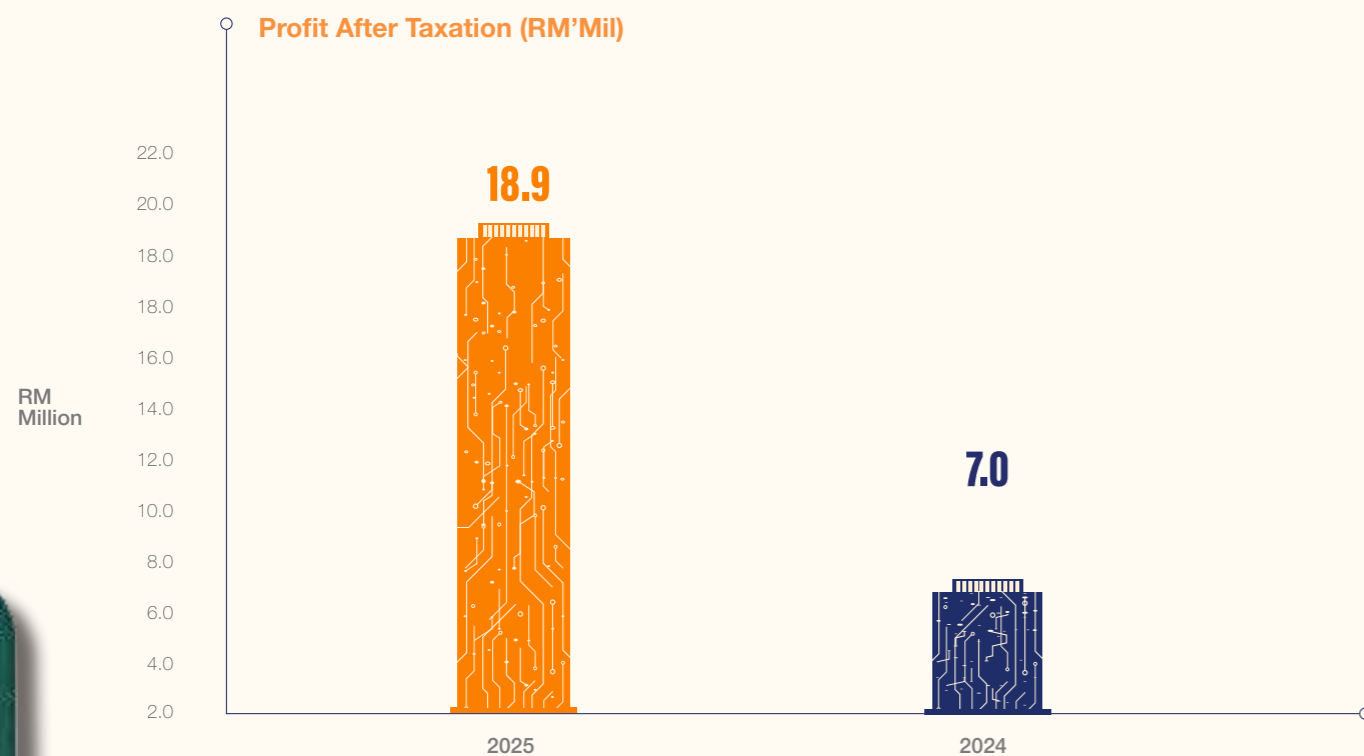
Expenses

Expenses	2025	2024	Variance
	(RM'Mil)	(RM'Mil)	(RM'Mil)
Personnel Expenses	(93.4)	(88.8)	(4.6)
Project-Related Expenses	(483.5)	(199.6)	(283.9)
Depreciation and Amortisation	(12.6)	(14.6)	2.0
Net Gains/(Losses) on Impairment of Financial Asset	-	(4.1)	4.1
Other Expenses	(35.8)	(32.6)	(3.2)
Finance Expenses	(6.2)	(5.6)	(0.6)
Total Expenses	(631.5)	(345.3)	286.2

The Group's total operating expenses increased to RM631.5 million in FY2025 from RM345.3 million in FY2024, representing an increase of approximately 83% year-on-year, in line with higher project execution during the year. The increase was mainly driven by project-related expenses, which rose significantly to RM483.5 million from RM199.6 million and accounted for about 74% of total expenses, reflecting the execution of large scale contracts and higher project delivery and subcontracting costs.

This indicates that the cost base remains closely aligned with revenue growth, consistent with the Group's project-driven and cost-intensive business model, where margins are dependent on pricing discipline and cost control. Personnel expenses increased moderately to RM93.4 million from RM88.8 million, suggesting improved productivity relative to the scale of operations, while other operating expenses rose to RM35.8 million from RM32.6 million, in line with business expansion. Depreciation and amortisation declined slightly to RM12.6 million from RM14.6 million, reflecting a relatively stable asset base, and no impairment losses were recorded in FY2025 compared to RM4.1 million in FY2024, indicating improved receivables quality and recovery. Overall, the increase in expenses was expected and revenue driven however, the Group remains highly reliant on project-related costs, with margins continuing to be sensitive to execution efficiency.

Results Before and After Tax



The Group recorded a profit after taxation of RM18.9 million in 2025, significantly higher than RM7.0 million in 2024, despite the increase in revenue. This increase was primarily driven by higher administration expenses incurred during the year.

The Group's Earnings before Interest, Taxation, Depreciation, and Amortisation ("EBITDA") stood at RM41.3 million in 2025 compared to RM25.7 million in 2024.

Analysis of Financial Position

The tables below show the assets employed, liquidity ratios, and working capital of the Group as at the year-end of 2025 and 2024.

Assets Employed	2025	2024	Variance
	(RM'Mil)	(RM'Mil)	(RM'Mil)
Non-Current Assets	167.5	177.8	(10.3)
Current Assets	807.9	373.1	434.8
Total Assets	975.4	550.9	424.5
Net Current Assets	108.7	39.0	69.7
Shareholders' Fund	245.2	182.2	63.0
Share Capital (Units)	135.1	111.3	23.8
Net Tangible Assets per Share (RM)	1.71	1.50	0.2

The Group's financial position improved in FY2025, with total assets increasing to RM975.4 million from RM550.9 million in FY2024, mainly driven by higher current assets arising from increases in trade receivables, contract assets and other project-related balances. This growth reflects the scale of ongoing projects, with a portion of revenue yet to be converted into cash, indicating a more working capital-intensive position. As a result, net current assets strengthened to RM108.7 million from RM39.0 million. Shareholders' funds rose to RM245.2 million, in line with the Group's stronger earnings and overall position for the year.

Liabilities and Working Capital	2025	2024	Variance
	(RM'Mil)	(RM'Mil)	(RM'Mil)
Payables	184.8	117.7	67.1
Borrowings	407.1	194.1	213.0
Lease Liabilities	30.1	42.6	(12.5)
Total Liabilities	730.1	368.7	361.4

The Group has consistently maintained a prudent approach in managing its liabilities, striving to keep them at a reasonable level. Operations and obligations were financed through a balanced mix of internally generated funds and available credit facilities. The proportionate utilisation of these funding sources determines the Group's gearing level in supporting its working capital requirements. As of 2025, the Group continues to maintain sufficient credit facilities to meet its operational needs.

The Group's gearing ratio increased to 58% in 2025, up from 52% in 2024, largely due to financing requirements associated with the award of major contracts during the year. Meanwhile, the current ratio recorded at 1.16 times in 2025 as compared to 1.12 times in 2024, remaining within an acceptable range and reflecting the Group's stable liquidity position.

HEITECH PADU BERHAD: 2026 OUTLOOK AND STRATEGIC DIRECTION

Economic and Industry Landscape

Malaysia's economic outlook remains resilient, underpinned by sustained domestic demand, stable monetary conditions, and continued investments in digital infrastructure. In the fourth quarter of 2025, Malaysia's Gross Domestic Product ("GDP") expanded by 6.3%, up from 5.4% in the preceding quarter, driven by stronger household spending, favourable labour market conditions, and supportive income-related policies.

Investment activity remained robust, particularly in machinery and equipment spending linked to the development of data centres and digital infrastructure. The continued implementation of multi-year projects across both the public and private sectors further supported overall economic expansion.

On the supply side, growth was primarily driven by the services and manufacturing sectors. The services sector benefited from the expansion of consumer-related activities, government services, and ICT-related services following the operationalisation of new data centres. Meanwhile, the manufacturing sector recorded stronger production in the electrical and electronics ("E&E") segment, reflecting increased global demand for technology-related products.

While the domestic outlook remains positive, the global environment continues to be shaped by geopolitical tensions and ongoing conflicts, including the situation in the Middle East. These developments present indirect risks to the IT sector, including potential disruptions to global supply chains, fluctuations in the availability and pricing of hardware components, heightened cybersecurity threats, and shifts in global technology investment priorities.

Notwithstanding these external uncertainties, the Group's operations remain stable, with no material disruptions experienced to date. The current geopolitical developments, including the Middle East crisis, have not had any direct impact on the Group's business operations. Supported by strong governance, a diversified service portfolio, and sustained demand for digital and ICT solutions, the Group continues to execute its projects effectively while maintaining operational continuity and service reliability.

Looking ahead, Malaysia's economy is expected to grow steadily between 4.5% and 5.5%, supported by domestic consumption and continued investments in digital infrastructure. Government initiatives such as the MyDigital framework, the National Digital Network Plan ("JENDELA"), and increased investments in cybersecurity are expected to further strengthen the ICT sector, creating sustained opportunities for HeiTech Padu Berhad.

Market Opportunities and Technology Trends

As Malaysia advances its digital transformation agenda, demand for integrated technology solutions continues to expand across both the public and private sectors. Government-led digitalisation initiatives remain a key catalyst, driving opportunities in cloud computing, cybersecurity, digital infrastructure, and systems integration.

Beyond the public sector, enterprises across industries—including banking, healthcare, and logistics are accelerating digital adoption to enhance operational efficiency, strengthen cybersecurity resilience, and improve customer engagement. This trend presents significant opportunities for HeiTech to expand its enterprise digital solutions and managed services offerings.

At the same time, emerging technologies are reshaping the competitive landscape. The adoption of Artificial Intelligence ("AI"), automation, and data analytics is enabling organisations to improve operational performance and strengthen decision-making capabilities. HeiTech continues to explore and integrate these technologies into its service portfolio to enhance its overall value proposition.

The cloud and managed services segment is expected to remain a key growth driver as organisations increasingly migrate towards hybrid cloud environments. By strengthening its capabilities in infrastructure management and cybersecurity services, HeiTech is well positioned to support clients throughout their digital transformation journey.

Strategic Priorities and Business Transformation

Guided by its Master Business Plan 2026, HeiTech continues to strengthen its operational foundation while pursuing new avenues for sustainable growth. The Group's strategic priorities focus on enhancing organisational sustainability, strengthening governance and compliance, and improving operational efficiency across its business units.

In line with these priorities, the Group has undertaken initiatives to realign its organisational structure and business pillars to ensure that operations remain market-driven and responsive to evolving industry dynamics. This realignment enhances internal coordination, strengthens governance oversight, and improves the Group's ability to deliver complex technology projects efficiently.

While maintaining its strong position in ICT services, HeiTech is also exploring opportunities to diversify its business portfolio. The Group's expansion into energy-related technology solutions reflects its commitment to identifying complementary growth areas that support long-term business sustainability while contributing to national development priorities.

At the same time, HeiTech continues to strengthen its core competencies in systems integration, digital platforms, and managed technology services, enabling the Group to capture opportunities across both existing and emerging markets.

Strategic collaborations and partnerships remain a key component of the Group's growth strategy. Through close collaboration with technology partners, industry players, and innovation ecosystems, HeiTech aims to enhance its service offerings, expand market reach, and accelerate the development of next-generation technology solutions.

Strengthening Foundations: Technology, Governance and People

As technology continues to evolve, HeiTech remains committed to maintaining robust digital infrastructure and secure technology platforms that support mission-critical operations. The Group continues to strengthen its cybersecurity capabilities, enhance system reliability, and deploy advanced digital solutions to meet the evolving needs of its clients. Strong corporate governance and regulatory compliance remain central to the Group's operations. HeiTech upholds high standards of integrity, transparency, and risk management while ensuring full compliance with regulatory requirements and industry best practices.

Equally important is the Group's continued investment in its people. Talent development, employee engagement, and workforce capability building remain key priorities as the Group seeks to attract, develop, and retain skilled professionals capable of supporting its long-term growth ambitions.

Creating Sustainable Technology Business and Value for Stakeholders

HeiTech recognises that its long-term success is built on strong collaboration with its customers, business partners, employees, financiers, and shareholders. By continuously strengthening its capabilities and expanding strategic partnerships, the Group remains committed to delivering reliable and innovative technology solutions that support Malaysia's digital economy.

Moving forward, HeiTech will continue to focus on operational excellence, technology innovation, and strategic growth opportunities. Supported by its industry experience, technical expertise, and strong governance framework, the Group remains well positioned to deliver sustainable long-term value for its stakeholders while contributing meaningfully to Malaysia's digital transformation journey.

To our customers, business partners, and financiers, HeiTech extends its sincere appreciation for your continued trust and collaboration. As we move forward, the Group remains firmly focused on advancing innovation, strengthening operational excellence, and delivering sustainable growth. Together with our stakeholders, we will continue to play a pivotal role in advancing digital transformation across Malaysia and beyond. Anchored by a shared vision and disciplined execution, we are well-positioned to capture emerging opportunities and drive long-term success.

To our shareholders, HeiTech remains committed to delivering consistent performance, enhancing business resilience, and generating sustainable value over the long term. As we progress, we will continue to provide transparent updates on our performance and strategic priorities in the year ahead.