

CHAPTER
04

**HOW
WE CREATE
VALUE**



Coding The Nation (2001 – 2010)

During this part of their journey, HeiTech continued to deliver and maintain large-scale government systems across transport, identity, and immigration services. By implementing platforms for agencies such as JPJ, JPN, and JIM, HeiTech actively transformed essential public services, reshaping how citizens interact with and access critical government systems nationwide.

BUSINESS STRENGTHS

HeiTech drives value creation by leveraging over three decades of industry expertise and distinct competitive strengths to deliver integrated services and solutions that anticipate and respond to evolving market demands. We actively build a resilient and interconnected ecosystem that creates sustainable value for our stakeholders and strengthens connections among communities, enterprises, and public institutions. By combining deep customer insights with advanced technologies, we continuously innovate and enhance the relevance and impact of our offerings.

We regularly evaluate and strengthen our core competencies to ensure alignment with technological advancements and shifting market dynamics. As a key enabler of the digital economy, we capitalise on our competitive advantages to improve operational excellence, optimise resources, and proactively manage business and operational risks. Through disciplined execution and forward-looking strategies, we reinforce our resilience and position HeiTech for sustainable, long-term growth in an increasingly complex and dynamic environment.

Business Strategies

-  **Governance and Leadership**
-  **Market Retention and Expansion**
-  **Portfolio Diversification**
-  **Technological Innovation**
-  **Strategic Alliance**
-  **Accredited Management System**
-  **Human Capital Development**

EXPERIENCED INDUSTRY PLAYER WITH PROVEN CAPABILITY IN STRATEGIC PROJECT DELIVERY



HeiTech leverages decades of industry expertise and a strong track record to drive sustained growth and innovation. We deliver high-quality, impactful solutions and services to public and private sector customers, while continuously strengthening our capabilities to meet evolving market demands. By refining our competencies and embracing innovation, we reinforce our leadership in strategic project delivery and position HeiTech for long-term success.

REVENUE DIVERSIFICATION ACROSS KEY SEGMENTS: SYSTEMS INTEGRATION, APPLICATION DEVELOPMENT, MANAGED SERVICES AND NICHE PRODUCTS



HeiTech drives growth through a strategically diversified revenue model that meets a wide range of market needs. We reduce reliance on any single solution and actively mitigate risks arising from market fluctuations and shifting customer demands. Through our comprehensive portfolio including Systems Integration, Application Development, Managed Infrastructure Services, niche solutions, and intelligent solutions, strengthen revenue resilience, capture emerging opportunities, and sustain long-term value creation.

ACCELERATING REGIONAL GROWTH AND MARKET REACH



HeiTech accelerates regional growth by strengthening our presence in key markets and delivering tailored solutions that address evolving regional requirements. We expand our reach through partnerships with complementary capabilities that enhance our value proposition in strategic markets. By integrating these partnerships with our deep industry expertise and extensive portfolio, we penetrate new markets, unlock growth opportunities, and reinforce our competitive advantage. Through disciplined execution, we continue to scale our regional influence and deliver sustainable value to stakeholders.

INNOVATIVE SOLUTIONS AND SERVICES TAILORED FOR DIVERSE MARKETS



HeiTech drives innovation by continuously developing advanced products and services powered by the latest technologies. We design solutions that help customers achieve their strategic objectives while maintaining the highest standards of quality and service excellence. By tailoring our offerings to the evolving needs of diverse markets, we enhance versatility and agility and position HeiTech to thrive in an increasingly dynamic environment. Through close collaboration with customers and strategic partners, we anticipate industry trends, accelerate innovation cycles, and deliver measurable outcomes that create sustainable value.

DYNAMIC COLLABORATION WITH STRATEGIC TECHNOLOGY PARTNERS



HeiTech actively cultivates strategic partnerships to enhance capabilities and strengthen our market competitiveness. By leveraging our partners' expertise and resources, we expand into new markets and capitalise on global digitalisation opportunities. These trusted collaborations enable us to respond swiftly to evolving industry trends, broaden our service portfolio, and deliver greater value to customers. Through proactive engagement and joint innovation, we continue to strengthen our position as a reliable, forward-looking technology partner.

PROCESS ACCREDITATION



HeiTech maintains certifications from both local and international bodies, demonstrating our adherence to globally recognised standards. These accreditations reinforce the reliability, quality, and trustworthiness of our deliverables, assuring customers that our solutions consistently meet the highest international benchmarks. By embedding certified processes and best practices across our operations, we strengthen operational excellence, enhance stakeholder confidence, and position HeiTech for sustained, standards-driven growth.

HUMAN AND INTELLECTUAL CAPITAL



HeiTech leverages the expertise of our skilled and certified technical team to deliver cutting-edge technology and comprehensive solutions to customers. Our professionals bring deep domain knowledge and specialised capabilities across diverse technology areas. By investing in the development of human and intellectual capital, we strengthen our foundation for sustained growth, enhance innovation, and secure long-term competitiveness in a rapidly evolving market.

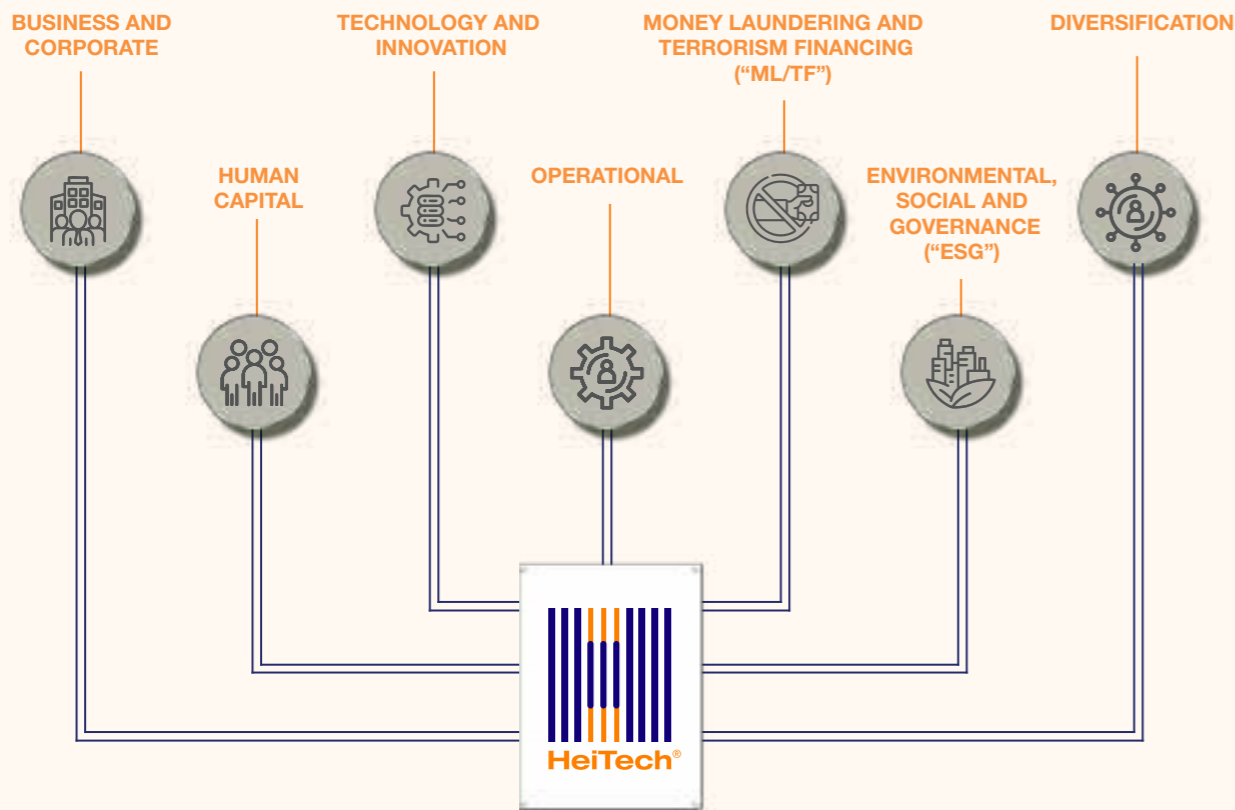
HOW WE ASSESS MATERIALITY

At HeiTech Padu Berhad, we place materiality at the heart of our sustainability and business strategy, focusing on the ESG factors that have the greatest impact on our operations, stakeholders, and long-term value creation. Each year, we conduct a structured materiality review, engaging key stakeholders—including investors, regulators, customers, employees, and industry bodies—to identify emerging risks, opportunities, and sustainability trends. Our Materiality Matrix, using a risk-ranking methodology, evaluates issues based on financial impact, regulatory significance, stakeholder priority, and long-term business implications. We integrate this process into our Enterprise Risk Management (“ERM”) framework, ensuring that material ESG risks are actively managed at both strategic and operational levels. This approach enables HeiTech to make informed, transparent, and forward-looking decisions that drive sustainability.

- A detailed overview of our materiality assessment process, methodology, stakeholder engagement, and Materiality Matrix is provided in the Materiality Assessment section of the Sustainability Statement.

THE RISKS WE CONSIDER

In the dynamic and rapidly evolving technology landscape, HeiTech continues to face both external and internal factors that may impact our ability to create and sustain value. To navigate these challenges, we maintain a proactive and structured approach to risk management, which remains integral to our governance, strategic planning, and decision-making processes. Through our ERM Framework, we continuously identify, assess, and monitor key risks, enabling timely and informed responses to developments that may affect our operational resilience and long-term performance. The table below outlines HeiTech’s principal risks for the year 2025, aligned with our current business priorities and strategic direction.



HeiTech’s risk management framework remains under the oversight of the Board, ensuring robust governance practices, transparency, and continued compliance with IFRS S1 sustainability-related risk disclosure requirements.

BUSINESS AND CORPORATE



Business Context

HeiTech operates in a highly competitive and evolving technology landscape, where business and corporate risks arise from changing customer requirements, margin pressures, project delivery challenges, governance effectiveness, financial sustainability, and regulatory compliance. In line with the Group’s ongoing strategic realignment and focus on operational discipline, HeiTech is enhancing its governance structure, optimise its portfolio, and enhance financial and operational oversight to ensure resilience and long-term sustainability.

Implications

- Reduced profitability and financial performance
- Loss of market competitiveness and revenue opportunities
- Project delivery delays or contract performance risks
- Reputational impact affecting stakeholder confidence
- Regulatory non-compliance and potential legal exposure

Mitigation Measures

HeiTech continues to strengthen governance, financial discipline, and operational oversight across the Group. Strategic initiatives include portfolio rationalisation, improved project monitoring, cost optimisation, and strengthening internal controls. The Group maintains active engagement with key customers and stakeholders while enhancing its business continuity and crisis management capabilities. Continuous monitoring of financial performance, contract execution, and compliance ensures early identification and mitigation of emerging risks.

HUMAN CAPITAL



Business Context

HeiTech’s ability to deliver technology solutions and sustain growth depends on attracting, developing, and retaining skilled talent. The competitive labour market, evolving skill requirements, and organisational restructuring present challenges in ensuring workforce stability, succession readiness, and operational continuity.

Implications

- Loss of critical skills and institutional knowledge
- Reduced productivity and project delivery capability
- Increased operational and recruitment costs
- Leadership and succession gaps

Mitigation Measures

HeiTech continues to strengthen talent management through structured workforce planning, capability development, and succession planning for key roles. The Group promotes employee engagement, professional development, and performance management to enhance retention and productivity. Efforts to optimise workforce structure and align talent with strategic priorities further support operational resilience and long-term organisational effectiveness.

TECHNOLOGY AND INNOVATION



Business Context

HeiTech's operations rely on the availability, reliability, and security of its digital infrastructure, platforms, and information systems. As the Group continues to expand its technology-enabled services and digital solutions, it remains exposed to evolving cybersecurity threats, including unauthorised access, malware, phishing, and other cyber risks that may affect system integrity, data confidentiality, and operational continuity.

Given the increasing reliance on digital platforms and interconnected systems, maintaining strong cybersecurity resilience is essential to safeguarding the Group's operations, protecting stakeholder information, and ensuring the uninterrupted delivery of services.

Implications

- Disruption to systems and operational continuity
- Potential compromise of sensitive or confidential information
- Financial losses arising from operational or remediation costs
- Regulatory exposure and compliance implications
- Reputational impact affecting stakeholder confidence

Mitigation Measures

HeiTech maintains a structured and proactive approach to cybersecurity risk management, supported by established policies, procedures, and governance oversight. The Group implements multiple layers of security controls, including access management, network monitoring, endpoint protection, and regular system maintenance to safeguard its technology environment.

Periodic risk assessments, vulnerability management, and system monitoring are conducted to identify and address potential cybersecurity risks in a timely manner. Backup, recovery, and business continuity measures are in place to support operational resilience and minimise potential disruptions.

HeiTech promotes cybersecurity awareness among employees and continues to enhance its cybersecurity capabilities, monitoring measures, and controls in line with evolving threat landscapes and industry best practices. These ongoing efforts strengthen the resilience of the Group's technology environment and ensure the continued protection, reliability, and integrity of its digital infrastructure and services.



OPERATIONAL



Business Context

Operational risks arise from project execution challenges, process inefficiencies, system failures, and external dependencies. As HeiTech continues to optimise its business operations and delivery capabilities, effective operational risk management remains critical to ensuring service reliability and customer satisfaction.

Implications

- Project delays or service delivery disruptions
- Increased operational costs and inefficiencies
- Contractual and financial performance risks
- Reputational impact and reduced customer confidence

Mitigation Measures

HeiTech continues to strengthen operational governance through improved project monitoring, performance tracking, and internal controls. Standardised processes, regular performance reviews, and enhanced coordination across business units help improve delivery effectiveness. The Group also maintains business continuity and contingency plans to minimise disruptions and ensure operational resilience.

MONEY LAUNDERING AND TERRORISM FINANCING (“ML/TF”)



Business Context

HeiTech's involvement in digital payment-enabled services, including smart parking solutions, requires compliance with Anti-Money Laundering (“AML”), Counter-Terrorism Financing (“CTF”), and regulatory requirements. Failure to comply with these obligations may expose the Group to regulatory, financial, and reputational risks.

Implications

- Regulatory sanctions or licence restrictions
- Financial penalties and compliance costs
- Reputational damage and loss of stakeholder trust
- Disruption to digital payment-enabled services

Mitigation Measures

HeiTech continues to strengthen its AML/CTF framework in line with regulatory requirements, including customer due diligence, transaction monitoring, and internal compliance controls. The Group adopts a risk-based approach to manage financial crime risks, supported by policies, procedures, and staff awareness. Ongoing engagement with regulators and continuous compliance monitoring ensure adherence to applicable regulatory expectations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



Business Context

HeiTech recognises the importance of environmental stewardship, responsible business practices, and strong governance in supporting sustainable business growth. ESG-related risks may arise from regulatory changes, stakeholder expectations, workforce practices, and governance effectiveness.

Implications

- Regulatory non-compliance and financial penalties
- Reputational impact and reduced stakeholder confidence
- Increased operational and compliance costs
- Reduced attractiveness to customers, partners, and investors

Mitigation Measures

HeiTech continues to strengthen governance, ethical business practices, and compliance frameworks across the Group. The Company promotes responsible workplace practices, operational efficiency, and stakeholder engagement to support sustainable business operations. ESG considerations are integrated into business decision-making to enhance long-term resilience and corporate accountability.

DIVERSIFICATION



Business Context

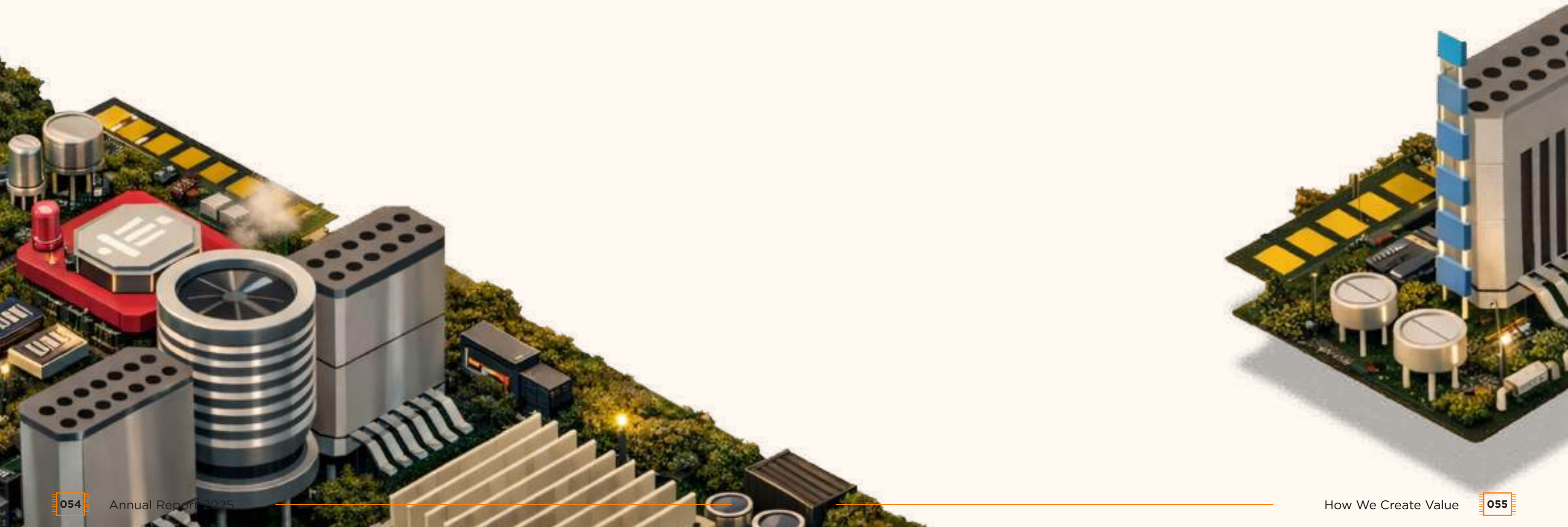
As part of its strategic direction, HeiTech continues to review and optimise its business portfolio, including expansion into selected growth areas as well as the rationalisation of underperforming or non-core businesses. Diversification initiatives may expose the Group to market, financial, operational, and execution risks.

Implications

- Investment losses or impairment risks
- Inability to achieve expected financial returns
- Increased operational and management complexity
- Reputational impact from unsuccessful ventures

Mitigation Measures

HeiTech adopts a disciplined and structured approach to evaluating new investments and business initiatives, including financial assessments, risk evaluations, and strategic alignment reviews. The Group prioritises investments aligned with its core competencies while actively monitoring the performance of existing ventures. Strategic portfolio optimisation supports financial sustainability and strengthens long-term value creation.



OUR STRATEGIC PROGRESS

HeiTech adopts an integrated approach to value creation by strategically managing six (6) capitals and nine (9) material matters. By aligning these capitals with key material priorities, the Group delivers sustainable performance and long-term value to stakeholders. Recognising the evolving external landscape, the Group regularly reassesses these value drivers to remain responsive to technological developments and shifting market conditions, thereby safeguarding long-term value creation.

Materiality

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

Key Risks

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

Strategies

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

Our Capitals

- Financial
- Human
- Manufactured
- Natural
- Intellectual
- Social and Relationship

Business Strengths	Linkage to Materiality	Risks	Business Strategies	Capital Affected	Outputs, Performance Highlights and Achievements
<p>Revenue Diversification Across Key Segments: Systems Integration, Application Development, Managed Services and Niche Product</p>					<p>The Group's revenue is driven by its core portfolios, which include system integration and application development, managed infrastructure services, and diversified products. These segments collectively demonstrate the Group's balanced and resilient operating model. The Life Extension Programme ("LEP") Project marks an important strategic milestone, positioning the Group to deliver a vital national energy asset. Revenue from this project is expected to contribute from 2026 onwards, enhancing the Group's earnings outlook and long-term growth potential.</p> <p>For the financial year 2025, the Group recorded revenue of RM651.2 million. System integration and application development remained the primary contributors, accounting for 67% of total revenue, followed by managed infrastructure services at 20%. The remaining revenue was generated from a diversified mix of products. This composition highlights the Group's strong technical capabilities and its ongoing focus on delivering integrated, highvalue solutions to clients.</p>
<p>Accelerating Regional Growth and Market Reach</p>					<p>Accelerating regional growth and market reach remains a key strength of the Group. HeiTech continues to expand its presence across priority markets by delivering tailored solutions that address changing regional needs. Through strategic collaborations with partners whose complementary skills enhance its value proposition, the Group broadens its footprint while boosting its competitiveness in targeted areas.</p> <p>By integrating these partnerships with its deep industry expertise and comprehensive service portfolio, HeiTech successfully penetrates new markets and unlocks sustainable growth opportunities. This disciplined and scalable approach allows the Group to expand its regional influence, improve market accessibility, and strengthen long-term stakeholder value creation.</p>
<p>Innovative Solutions and Services Tailored for Diverse Markets</p>					<p>HeiTech drives innovation by creating customised solutions and services to meet the unique needs of various markets. Leveraging the latest technologies and applications, the Group offers a broad range of services, including system integration, application development, managed infrastructure services, a diverse product portfolio, and in-house innovations.</p> <p>A notable example is JomCheck, developed and commercialised by our subsidiary, Motordata Research Consortium Sdn. Bhd. ("MRC"), which has quickly gained market traction. Alongside JomCheck, HeiTech, through another subsidiary ProOffice, expanded Kolleq to Majlis Perbandaran Pendang and Majlis Daerah Raub, bringing the platform to nine councils across the country. With enhanced efficiency, automatic reconciliation, and streamlined payment processing, the platform continues to support HeiTech's growth ambitions in the market and its position as a key provider of digital solutions for local government and future citizen-facing services.</p>
<p>Dynamic Collaboration with Strategic Technology Partners</p>					<p>HeiTech has consistently maintained dynamic engagement with its strategic partners and vendors over the years. Through these collaborations, HeiTech has been recognised as one of the leading digital and technology brands, receiving the BrandLaureate Digitech Best Brands Award 2025–2026 for Government Digitalisation & ICT Solutions—an acknowledgement of its strong commitment to digital innovation and excellence.</p> <p>In addition, HeiTech was honoured as the Million Dollar Account Partner FY2025 by Trend AI. HeiTech also received recognition from Fortinet as both the Top Advocate Partner and Top Public Sector Partner for FY2025. Further accolades include being named Top Public Sector Partner FY2025 by Hewlett Packard Enterprise ("HPE"), as well as an Accelerated Growth Partner for 2025 by xFusion. HeiTech has also maintained a longstanding collaboration with PIKOM since 1995 and was recognised in 2025 as one of its Founding Members through the Founding Member Award. HeiTech has secured a strategic collaboration with SUSE Southeast Asia to support Malaysia's digitalisation efforts, particularly in advancing cloud native capabilities.</p>
<p>Process Accreditation</p>					<p>HeiTech demonstrates its commitment to operational excellence by adhering to internationally recognised management system standards. The Group has successfully maintained attestations and accreditations from both local and international certification bodies, including CMMI Level 3, TMMi Level 3, QMS, ISMS, BCMS, and ABMS. These certifications reflect HeiTech's rigorous processes, strong governance, and unwavering dedication to delivering the highest quality services to customers. By integrating globally recognised standards across its operations, HeiTech ensures consistent service quality, boosts stakeholder confidence, and strengthens its competitive position in the market.</p>
<p>Human and Intellectual Capital</p>					<p>HeiTech's strength lies in its talented workforce of 1,239 employees, with 82% serving as technical and customer-facing personnel and the remaining 18% supporting operational functions. The Group's talent pool comprises some of the industry's leading technology experts, whose specialised knowledge and experience form a robust intellectual capital base. This depth of expertise enables HeiTech to deliver innovative solutions across multiple technology platforms, drive value creation for clients, and maintain a competitive edge in a rapidly evolving digital landscape.</p>
<p>Experienced Industry Player with Proven Capability in Strategic Project Delivery</p>					<p>HeiTech continues to strengthen its position in the industry by executing 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 role in managing high-impact immigration infrastructure. In February 2025, HeiTech accepted the Life Extension Programme (LEP) Project for the Sungai Perak Hydroelectric Scheme, which covers Stesen Janakuasa Temengor, Bersia, and Kenering. This initiative demonstrates the Group's technical expertise in managing complex infrastructure modernisation programmes while supporting national energy continuity objectives.</p>

OUR VALUE CREATION MODEL

HeiTech creates sustainable long-term value through the strategic deployment of six (6) capitals that form the foundation of our business model. These capitals are carefully managed and optimised to support the execution of our strategy and the delivery of our commitments to stakeholders. Value creation is embedded within our governance framework and strategic priorities. It encompasses continuous innovation, disciplined capital management, operational excellence, and responsible business practices to ensure balanced and sustainable outcomes over the short, medium, and long term.

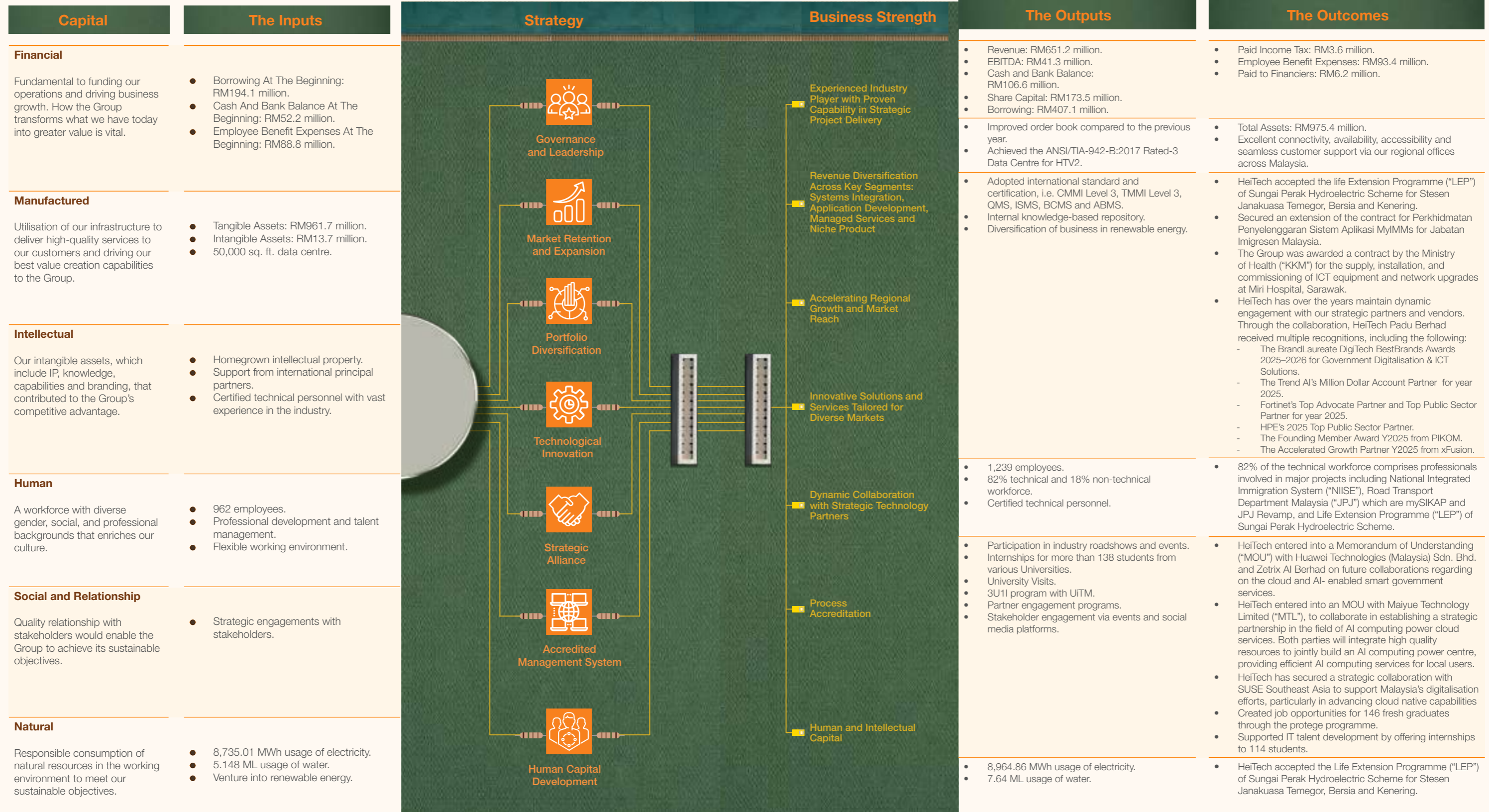
Despite the challenging operating environment in FY2025, the Group remains steadfast in executing its value creation strategy, demonstrating resilience while preserving stakeholder value and maintaining a strong foundation for future growth.

Sustainability Pillars



Corporate Governance

The roles and responsibilities of the Board of Directors are set out by our charter, in compliance with the Malaysian Code of Corporate Governance ("MCCG") 2021 and are exercised in the best interests of our stakeholders. This ensures that we remain the trusted technology partner in supporting our customers' vision.



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CHAPTER 05

SUSTAINABILITY STATEMENT

HeiTech's sustainability journey has evolved from basic compliance to a strategic integration of ESG into its core business. What began as supporting sustainable development through digitalising public services has grown into a structured approach with strong governance, board oversight and materiality-driven priorities.

Today, HeiTech aligns its strategy with national and global sustainability goals by advancing green energy initiatives, improving operational efficiency, and strengthening data security, talent development and community engagement. Through this, the Group positions itself as a trusted technology partner committed to a resilient, inclusive and environmentally responsible digital economy.



EXECUTIVE SUMMARY

HeiTech Padu Berhad (“HeiTech” or “the Company”) presents its Sustainability Statement for the financial year ended 31 December 2025 (“FY2025”). This Statement has been prepared in accordance with the applicable provisions of Bursa Malaysia’s Main Market Listing Requirements and with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and is informed by IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures, and the National Sustainability Reporting Framework (“NSRF”). HeiTech has applied selected IFRS S1, IFRS S2 and NSRF principles in FY2025 ahead of the mandatory implementation timeline applicable to Main Market Group 2 issuers.

Detailed information on the reporting frameworks, scope, methodologies, governance structures and key ESG metrics is provided in **Sections 1 to 12** of this Statement and should be read together with this Executive Summary.

This Statement covers HeiTech Padu Berhad (“HeiTech (parent entity)” or “the Company”), across two principal facilities — Menara Insignia HQ, Subang Jaya and HeiTech Village 2 Data Centre (“HTV2”), Bukit Jelutong, Shah Alam. Subsidiaries and Project and Service Delivery Sites are excluded from the FY2025 reporting boundary as part of a structured pilot year, with phased inclusion targeted for FY2026.

FY2024 is the Company’s sustainability baseline year, with FY2025 performance assessed against this baseline; earlier-year data is included for context only where relevant.

This Executive Summary should be read together with Section 1 (Basis of Preparation), which sets out the reporting frameworks applied, Bursa Malaysia implementation group classification, baseline year and three-year data considerations.

Environmental Performance

Total GHG emissions for FY2025 were 9,416.67 tCO₂e (FY2024: 8,883.00 tCO₂e). The increase is primarily attributable to the significant expansion of the Company’s workforce from 985 to 1,239 employees, resulting in materially higher Scope 3 Category 7 (employee commuting) emissions, and reflects improved reporting coverage rather than a deterioration in facility-level emissions intensity. Operational energy consumption remained broadly stable year-on-year, despite significant workforce growth.

On-site solar PV generation at HTV2 contributed 194.86 MWh of renewable energy in FY2025. Water consumption was 7.64 ML (FY2024: 5.15 ML), with the increase attributable to workforce and operational growth.

Social Performance

HeiTech’s workforce grew to 1,239 employees in FY2025 (FY2024: 985), reflecting strong business growth. Total training hours increased to 11,452 hours (FY2024: 8,245 hours), and average training hours per employee increased to 9.2 hours (FY2024: 8.37 hours). The Company maintained zero lost time injuries, zero workplace fatalities, and zero safety incidents in FY2025. Zero cybersecurity incidents and zero data privacy breaches were recorded.

Governance Performance

HeiTech recorded zero significant regulatory breaches and zero monetary fines or sanctions in FY2025. No confirmed corruption incidents were identified during the year. Ethics and compliance training coverage increased to 238 employees (FY2024: 180). The Company’s dedicated Sustainability Department, established in January 2025, has strengthened governance oversight and ESG execution capability across the organisation.

Sustainability Roadmap

HeiTech’s Sustainability Roadmap 2025–2050 commits the Company to achieving Net Zero GHG emissions by 31 December 2050 in accordance with Rancangan Malaysia ke-12 (RMK12) and Paris Agreement, with interim targets of 30% reduction in Scope 1 and 2 emissions by FY2030 and 70% by FY2040. The Roadmap is structured across five strategic pillars: Decarbonisation, Circularity, Governance and Ethical Integrity, Social Impact and Inclusion, and Innovation and Sustainable Digital Solutions.

External assurance over selected sustainability disclosures was provided by RC Compliance Sdn. Bhd. (“RC Compliance”) for FY2025, the second consecutive year of independent assurance. Details are set out in **Section 12**.

SECTION 1: BASIS OF PREPARATION

1.1 Reporting Frameworks

This Statement for the financial year ended 31 December 2025 (“FY2025”) has been prepared in accordance with:

1. **Bursa Malaysia’s Main Market Listing Requirements** relating to sustainability disclosure, including the structured reporting of Environmental, Social and Governance (“ESG”) indicators as prescribed under the Bursa Malaysia Sustainability Reporting Guide (3rd Edition).
2. Relevant principles and disclosure architecture drawn from **IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information and **IFRS S2** Climate-related Disclosures, as issued by the International Sustainability Standards Board (“ISSB”); and
3. The **National Sustainability Reporting Framework (“NSRF”)**, as relevant to the Company’s FY2025 reporting approach.

HeiTech Padu Berhad (“HeiTech” or “the Company”) is classified as a Group 2 listed issuer under Bursa Malaysia’s phased sustainability reporting implementation framework through 31 December 2025. The Statement is also informed by IFRS S1, IFRS S2 and NSRF. In line with IFRS S2, HeiTech has completed an initial climate-related scenario analysis for FY2025 to inform its assessment of climate resilience, applying an approach proportionate to the Company’s current circumstances, capabilities and reporting maturity.

For FY2025, HeiTech has adopted selected IFRS S1 and IFRS S2 principles on a voluntary, phased basis to support early alignment with the ISSB architecture and Malaysia’s NSRF. These principles inform, but do not fully determine, the structure and content of this Sustainability Statement.

1.2 Reporting Period and Basis

This Statement covers the financial year from **1 January 2025 to 31 December 2025 (“FY2025”)**. Comparative data for **FY2024** is provided where available and on a comparable basis.

FY2024 represents the Company’s first year of systematic, consistent, and externally assured sustainability measurement under a stable reporting boundary and therefore serves as the baseline year for all sustainability metrics, targets, and trend analysis disclosed in this Statement. All performance assessments, targets under the Sustainability Roadmap 2025–2050, and year-on-year comparisons are measured relative to this FY2024 baseline.

Where FY2023 data is referenced, it is presented for contextual or historical reference only. FY2023 data was prepared under a different reporting boundary and/or methodology and is not directly comparable with FY2024 or FY2025. FY2023 figures are therefore not used as a baseline for target-setting, trend analysis or performance evaluation. Any material differences in scope, methodology or boundary affecting comparability are disclosed where relevant.

1.3 Bursa Malaysia Implementation Group Classification

Pursuant to the amendments to Bursa Malaysia’s Main Market Listing Requirements effective 23 December 2024, and aligned with Malaysia’s National Sustainability Reporting Framework, HeiTech Padu Berhad is classified as a Group 2 listed issuer (market capitalisation below RM2 billion as at 31 December 2024).

For Group 2 issuers:

- Enhanced Bursa sustainability disclosures apply for FY2025, including expanded metrics and three-year comparative data on a transitional basis.
- Full application of IFRS S1 and IFRS S2 is mandatory for financial years ending on or after 31 December 2026. Notwithstanding this timeline, the Company has incorporated selected IFRS S1 and IFRS S2 principles into this FY2025 Sustainability Statement ahead of the mandatory implementation schedule for Main Market Group 2 issuers.

1.4 Financial Reporting Reference

This Statement is prepared in conjunction with HeiTech Padu Berhad's Annual Report for FY2025, which includes the audited financial statements prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

1.5 Standards, Methodologies and Guidelines

The following standards and methodologies have been applied in the preparation of this Statement:

Area	Standard / Methodology Applied
GHG Emissions (Scope 1 and 2)	GHG Protocol Corporate Accounting and Reporting Standard
Scope 2 Accounting Method	Location-based method
Grid Emission Factor (Scope 2)	Suruhanjaya Tenaga — GEF for Peninsular Malaysia, 2024 Provisional: 0.740 kgCO ₂ e/kWh
Scope 3 Emissions	GHG Protocol, Categories 6 (Business Travel) and 7 (Employee Commuting)
Water Consumption	Measured consumption based on utility invoices; expressed in ML
Energy Consumption	Measured consumption based on utility invoices; expressed in MWh
Climate Risk Classification	IFRS S2 physical and transition risk taxonomy
External Assurance	AA1000 AS v3 — RC Compliance Sdn. Bhd.

1.6 Disclosure Approach — IFRS S1 and IFRS S2

HeiTech has structured this Sustainability Statement using the four ISSB disclosure pillars (governance, strategy, risk management, and metrics and targets) as a reference architecture.

- **Governance:** Board and Management oversight of sustainability-related risks and opportunities (Section 6)
- **Strategy:** How sustainability-related risks and opportunities affect the Company's strategy, business model and financial planning (Sections 8–10)
- **Risk Management:** Processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities (Sections 5, 8–10)
- **Metrics and Targets:** Performance data and targets used to manage and measure material sustainability risks and opportunities (Sections 5, 8–10)

In applying these pillars, HeiTech considers sustainability-related risks and opportunities over the short term (up to 3 years), medium term (3–10 years) and long term (beyond 10 years), consistent with the time horizons used in the Company's Enterprise Risk Management ("ERM") Framework and strategic planning processes.

Consistent with IFRS S1, this Statement focuses on sustainability-related risks and opportunities that are reasonably expected to affect HeiTech's cash flows, access to finance or cost of capital. Where such financial effects are material and can be quantified without undue cost or effort, they are cross-referenced to the Company's audited financial statements.

FY2025 Note on IFRS Sustainability Disclosure Standards:

This Sustainability Statement is **informed by** IFRS S1 and IFRS S2 and applies selected disclosure principles from those Standards. **It does not represent a statement of full compliance with IFRS S1 or IFRS S2.** Data availability, methodological maturity and boundary limitations are further explained in Section 4 (Judgements and Measurement Uncertainties).

1.7 Responsibility Statement

The Board of Directors of HeiTech Padu Berhad has reviewed and approved the content of this Sustainability Statement. The Board acknowledges its responsibility for the accuracy, completeness and integrity of the sustainability disclosures, including the reasonableness of the key judgements, estimates and assumptions applied.

The Board has considered all material sustainability-related risks and opportunities that could reasonably be expected to affect HeiTech's cash flows, access to finance and cost of capital over the short, medium and long term, based on the Company's current reporting boundary and capabilities.

SECTION 2: OVERVIEW OF THE GROUP AND VALUE CHAIN

2.1 Overview of the Group

HeiTech is a public listed company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad (Stock Code: 5028). The Company is principally engaged in the provision of information and communications technology ("ICT") solutions and services to public sector and corporate clients across Malaysia.

The Group is headquartered at **Menara Insignia, USJ 1, Subang Jaya, Selangor**, with a primary data centre facility at **HeiTech Village 2 ("HTV2"), Bukit Jelutong, Shah Alam, Selangor**. HeiTech has served as a strategic national ICT partner for more than three decades, delivering mission-critical digital infrastructure, managed services, and enterprise solutions to government ministries, statutory bodies, and corporate clients.

The Group comprises HeiTech Padu Berhad as the listed parent entity and several subsidiaries engaged in complementary ICT and technology-related businesses.

As described in Section 3 (Reporting Boundary), the FY2025 Sustainability Statement covers HeiTech Padu Berhad (parent entity) only. A phased programme to incorporate subsidiaries into the sustainability reporting boundary is targeted for FY2026.

The Group's principal service lines are organised as follows:

Service Line	Description
Managed Services	End-to-end management of ICT infrastructure, data centres, networks, and cloud environments
Systems Integration	Design, deployment, and integration of ICT hardware, software, and networking infrastructure
Application Services	Development, implementation, and maintenance of enterprise and government application systems
Digital and Cybersecurity	Digital transformation advisory, cybersecurity solutions, and managed security operations
Renewable Energy	Feasibility, design, installation, and maintenance of solar rooftop and mini-hydro systems; interconnection facility infrastructure

2.2 Our Value Chain

HeiTech's value chain encompasses the full lifecycle of its service delivery, from upstream supply inputs through to downstream client and community outcomes.

Upstream

- Procurement of ICT hardware, software licences, and networking equipment from Original Equipment Manufacturers ("OEMs") and authorised distributors
- Procurement of electricity from Tenaga Nasional Berhad ("TNB") for HQ and data centre operations
- Engagement of specialist subcontractors and technology partners for project execution

Direct Operations

- ICT infrastructure management and data centre operations at HTV2, Bukit Jelutong
- Systems integration, application development, and managed services delivery from Menara Insignia HQ
- Renewable energy project design, engineering, and commissioning

Downstream

- Service delivery to government ministries, statutory bodies, and enterprise clients
- Ongoing managed services, system maintenance, and technical support
- Knowledge transfer and capacity building embedded within government ICT project obligations

Workforce and Communities

- A workforce of 1239 employees (FY2025), predominantly based in the Klang Valley
- Community engagement through the HeiTech's CSR programme, focusing on education, digital inclusion, and environmental stewardship

2.3 ESG Sustainability Integration Across the Value Chain

HeiTech integrates ESG considerations across all stages of its value chain, ensuring that environmental responsibility, social accountability, and governance integrity are embedded into business operations rather than treated as peripheral activities.

Upstream — Responsible Procurement and Supply Chain Engagement

HeiTech applies responsible procurement principles in the selection and evaluation of vendors and technology partners. Supplier engagement processes incorporate ESG screening criteria, focusing on ethical sourcing, labour practices, and environmental impact. As the Group advances its Scope 3 emissions programme, supplier-level emissions data will be progressively incorporated into carbon accounting from FY2026 onwards, consistent with the Sustainability Roadmap 2025–2050.

Direct Operations — Environmental and Governance Controls

At the operational level, HeiTech manages its environmental footprint through energy-efficiency measures at Menara Insignia HQ and the HTV2 Data Centre, including a rooftop solar PV installation at HTV2. GHG emissions across Scope 1, Scope 2, and selected Scope 3 categories (Categories 6 and 7) are tracked and externally assured. Governance controls, including anti-bribery and corruption compliance, cybersecurity governance, and data privacy frameworks, are embedded into day-to-day operations and monitored through the Enterprise Risk Management platform, ieRisk.

Downstream — Sustainable Digital Solutions

HeiTech increasingly embeds sustainability into the design and delivery of client solutions. As a national ICT partner, the Company supports clients' own ESG objectives through the provision of energy-efficient infrastructure, digital monitoring platforms, and renewable energy systems. This positions HeiTech as an enabler of sustainable outcomes beyond its own organisational boundary.

Workforce — Human Capital and Social Impact

ESG integration at the workforce level is delivered through structured training and development programmes, occupational health and safety management, diversity and inclusion initiatives, and community engagement under HeiTech's CSR platform. ESG-linked performance metrics are progressively being incorporated into management KPIs to reinforce accountability at all levels of the organisation.

The five strategic pillars of HeiTech's Sustainability Roadmap — **Decarbonisation, Circularity, Governance and Ethical Integrity, Social Impact and Inclusion, and Innovation and Sustainable Digital Solutions**; serve as the organising framework for ESG integration across the value chain. Performance against material ESG topics identified through the Materiality Assessment is reported in **Sections 8, 9, and 10** of this Statement.

SECTION 3: REPORTING BOUNDARY

3.1 Reporting Scope and Coverage

This Statement covers the financial year from 1 January 2025 to 31 December 2025. The reporting boundary has been established in accordance with the operational control approach under the GHG Protocol and the organisational boundary principles of IFRS S1.

Unless otherwise stated, disclosures in this Sustainability Statement, including the Executive Summary and Sections 7 to 10, follow the reporting boundary described in this section.

3.2 Organisational Boundary

This Statement covers **only HeiTech Padu Berhad (parent entity)**. Subsidiaries of the Group are excluded from the FY2025 reporting boundary. FY2025 represents a pilot year for sustainability data collection and governance readiness across the broader Group. A phased inclusion programme targeting subsidiaries is planned for FY2026.

3.3 Reporting Boundary for Value Chain Impacts

The two principal facilities included within the FY2025 reporting boundary are:

Facility	Location	Function
Menara Insignia HQ	USJ 1, Subang Jaya, Selangor	Corporate headquarters; primary office operations
HeiTech Village 2 ("HTV2")	Bukit Jelutong, Shah Alam, Selangor	Primary data centre facility

Both facilities are located within the state of Selangor, Peninsular Malaysia, and are connected to the Peninsular Malaysia national electricity grid operated by Tenaga Nasional Berhad.

Project and Service Delivery Sites, comprising nine regional offices, Precinct 10, and Menara Maybank Twin Tower, are **excluded** from the FY2025 reporting boundary. These sites will be incorporated into the reporting boundary on a phased basis from FY2026, subject to the completion of data infrastructure and governance readiness assessments.

Category	Sites	FY2025 Status	Planned Inclusion
Principal Facilities	Menara Insignia HQ; HeiTech Village 2 (HTV2)	Included	—
Subsidiaries	All Group subsidiaries	Excluded	FY2026
Project and Service Delivery Sites	9 Regional Offices; Precinct 10; Menara Maybank Twin Tower	Excluded	FY2026

3.4 GHG Emissions Reporting Boundary

GHG emissions are reported under the operational control approach. Emissions sources within the reporting boundary include:

- **Scope 1:** Direct emissions from fuel combustion at Menara Insignia HQ and HTV2, including stationary combustion from diesel generators and mobile combustion from fleet vehicles.
- **Scope 2:** Indirect emissions from purchased electricity at both principal facilities, calculated using the location-based method applying the Suruhanjaya Tenaga Grid Emission Factor for Peninsular Malaysia of **0.740 kgCO₂e/kWh** (2024 Provisional).
- **Scope 3:** Category 6 (Business Travel) and Category 7 (Employee Commuting) for HeiTech Padu Berhad employees, Spend-based method for Business Travel based on Category 4 and using EEIO.

- Environmentally extended input-output models (“EEIO”) are a vital component of carbon accounting. They provide databases of industry average emission factors (“EFs”) that companies use to calculate their GHG emissions. <https://www.minimum.com/resources/environmentally-extended-input-output-eeio>

All other Scope 3 categories are excluded from FY2025 reporting. The materiality and feasibility of expanding Scope 3 coverage will be assessed as part of the FY2026 reporting cycle.

3.5 Judgements and Assumptions in Reporting Boundary

The following judgements have been applied in establishing the FY2025 reporting boundary:

- Where operational control cannot be clearly established for a facility or entity, that facility or entity has been excluded from the reporting boundary for FY2025.
- Employee commuting emissions (Scope 3 Category 7) are attributed to HeiTech Padu Berhad as the employing entity, regardless of the physical work location of individual employees.
- On-site solar PV generation at HTV2 is treated as a reduction in purchased grid electricity for Scope 2 calculation purposes, based on metered generation data.
- Where utility invoice periods do not precisely align with the calendar year reporting period, a pro-rata adjustment has been applied to ensure alignment with the 1 January 2025 to 31 December 2025 reporting period.

3.6 Transition Towards IFRS Sustainability Disclosure Standards

The FY2025 reporting boundary reflects the Company’s phased approach toward alignment with IFRS S1 and IFRS S2-informed sustainability reporting. The reporting boundary will be progressively expanded from FY2026 onwards to encompass subsidiaries, Project and Service Delivery Sites, and additional Scope 3 categories, consistent with Phase I of the Sustainability Roadmap 2025–2050. The planned expansion timeline is summarised below:

Reporting Period	Planned Boundary Expansion
FY2026	Inclusion of subsidiaries and Project and Service Delivery Sites
FY2026–FY2027	Expansion of Scope 3 coverage to additional categories beyond Categories 6 and 7
FY2027 onwards	Full value chain emissions assessment, including upstream supply chain

SECTION 4: JUDGEMENT AND MEASUREMENT UNCERTAINTIES

4.1 Emissions Calculation Assumptions — Scope 1, Scope 2 and Relevant Scope 3 Categories

Scope 1 Direct Emissions

Scope 1 emissions cover direct GHG emissions from sources owned or controlled by HeiTech Padu Berhad. For FY2025, Scope 1 sources include stationary combustion from diesel generators and mobile combustion from the Company’s fleet vehicles. Emissions are calculated using activity data (fuel consumption records) and corresponding emission factors from the GHG Protocol Emissions Factor Database.

Where fuel consumption records are based on metered readings, a judgement has been applied that purchase volumes reasonably approximate actual consumption within the reporting period. Any material variance identified during the external assurance process has been adjusted accordingly.

Scope 2 Indirect Emissions from Purchased Electricity

Scope 2 emissions are calculated using **the location-based method**, applying the **Suruhanjaya Tenaga Grid Emission Factor (“GEF”) for Peninsular Malaysia of 0.740 kgCO₂e/kWh** (2024 Provisional). This factor is applied uniformly across both reporting facilities; Menara Insignia HQ (Subang Jaya, Selangor) and HeiTech Village 2 Data Centre (Bukit Jelutong, Shah Alam, Selangor) as both are located within Peninsular Malaysia and connected to the same national grid.

The market-based method has not been applied for FY2025, as HeiTech does not currently hold renewable energy certificates (“RECs”) or instruments sufficient to establish a market-based Scope 2 emissions figure. This position will be reviewed as the Company’s renewable energy procurement strategy matures under the Sustainability Roadmap 2025–2050. In the absence of such instruments, the market-based Scope 2 emissions figure is equivalent to the location-based figure disclosed in Section 8, consistent with the requirements of IFRS S2 paragraph B36.

The rooftop solar PV installation at HTV2 generates on-site renewable energy. Electricity generated and consumed on-site from this source is treated as a reduction in purchased grid electricity for Scope 2 calculation purposes, based on metered generation data.

Scope 3 Selected Indirect Emissions Categories

For FY2025, Scope 3 emissions reporting is limited to:

- Category 6 Business Travel:** Air travel emissions calculated using spending methodology and GHG Protocol. https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf
- EEIO emission factors for economy, business, and domestic flight classes. Data is sourced from corporate travel records and expense claims.
- Category 7 Employee Commuting:** Emissions estimated based on **employee survey data** (based on 2025) on commuting mode, distance, and frequency. Based on the survey, average commuting distances and national modal split assumptions have been used as proxies. This category carries a higher degree of estimation uncertainty relative to other reported categories.

All other Scope 3 categories are excluded from FY2025 reporting. The materiality and feasibility of expanding Scope 3 coverage to additional categories, including Categories 1 (Purchased Goods and Services) and others, will be assessed as part of the FY2026 reporting cycle, consistent with Phase I of the Sustainability Roadmap 2025–2050.

Quantitative metrics summarised in the Executive Summary and in Sections 7 to 10 are calculated using the methodologies and key assumptions described in this section.

4.2 Water Consumption Reporting

Water consumption data is sourced from utility invoices issued by the relevant water authority for HeiTech Village 2 Data Centre only. No significant estimation or interpolation has been applied to water consumption figures.

The FY2025 water consumption of **7.64 ML** represents an increase from the FY2024 figure of **5.15 ML**. This increase is assessed to be attributable primarily to the growth in headcount from 985 to 1239 employees during the period. The Company will continue to monitor water consumption intensity and implement water efficiency measures in line with the Sustainability Roadmap 2025–2050.

4.3 Energy Consumption and Efficiency Metrics

Energy consumption data is sourced from TNB utility invoices for both principal facilities. Total electricity consumption for FY2025 was **8,963.97 MWh**, compared with **8,735.01 MWh** in FY2024. The marginal increase is assessed against the significant expansion in workforce and operations during the period.

Renewable energy consumption of **194.86 MWh** in FY2025 (FY2024: 197.81 MWh) is attributed to on-site solar PV generation at HTV2, based on inverter-level metered data. The slight decrease from FY2024 is assessed to be within normal operational variability for the installed system.

Energy intensity ratios (energy consumption per employee and per square metre of managed floor space) are tracked internally and will be formally disclosed as reporting maturity improves in subsequent periods.

4.4 ESG-Linked Financial Impacts

HeiTech applies judgement in assessing the financial materiality of sustainability-related risks and opportunities. For FY2025, quantified financial impacts have not been separately disclosed for individual sustainability risk categories, as the Company's methodology for disaggregating sustainability-related financial effects from broader operational costs and revenues continues to be developed.

This position is consistent with the permission under IFRS S1 to omit quantitative financial effect disclosures where such information cannot be identified or measured without undue cost or effort, provided the reason for omission is disclosed. HeiTech anticipates progressing toward quantified financial effect disclosures for climate-related risks and opportunities from FY2026, concurrent with the completion of formal climate scenario analysis.

4.5 Sustainability-Related Financial Effects

With reference to IFRS S1 requirements, HeiTech discloses its current assessment of how sustainability-related risks and opportunities are expected to affect its financial position, financial performance, and cash flows.

Sustainability Risk / Opportunity	Expected Financial Effect	Time Horizon (refer to 5.6)	Assessment Basis
Rising electricity costs due to energy price increases	Increased operating expenditure	Short-term (less than 3 years)	Utility invoice trends; TNB tariff revisions
Physical climate risk — increased cooling demand at HTV2 data centre	Increased energy and maintenance costs	Short to medium-term	Operational data; climate trend analysis
Transition risk — mandatory carbon reporting and potential carbon pricing	Compliance costs; potential levy exposure	Medium-term (3 to 10 years)	Regulatory monitoring; Bursa and SC guidance
Renewable energy adoption (solar PV at HTV2)	Operational cost savings from reduced grid purchases	Short-term (ongoing)	Metered solar generation data
ESG-linked business opportunities — green digital solutions for clients	Potential revenue growth in ESG-enabled services	Medium to long-term (10 years or more)	Client engagement; pipeline assessment

Energy costs are reflected in operating expenditure.

The financial effects identified above are currently assessed on a qualitative basis. Quantification of these effects will be developed progressively as the Company's climate risk methodology, scenario analysis framework, and financial modelling capabilities mature. Quantification of financial effects has not been practicable for FY2025 as the Company's climate risk modelling capability is in its formative stage. The absence of quantification reflects this developmental status rather than a judgement that financial effects are immaterial. Management has prioritised the development of quantification capability under Phase I of the Sustainability Roadmap 2025–2050, with quantified disclosures targeted from FY2026 onwards.

4.6 Climate-Related Scenario Analysis Current Status and Capability Development

HeiTech conducted an initial climate-related scenario analysis for FY2025 to assess the resilience of its strategy, business model, and principal operations to climate-related risks and opportunities. The analysis covered HeiTech Padu Berhad ("HeiTech (parent entity)" or "the Company") and focused on the two principal facilities within the FY2025 reporting boundary, namely Menara Insignia HQ, Subang Jaya and HeiTech Village 2 ("HTV2") Data Centre, Bukit Jelutong, Shah Alam.

Two climate-related scenarios were applied for this assessment. The first was a lower-warming, transition-intense scenario aligned to 1.5°C, representing a faster policy, regulatory, and market transition toward decarbonisation. The second was a higher-warming scenario of 2.0°C or above, representing greater physical climate risk, including higher heat stress, increased cooling demand, and heightened operational disruption risk. The analysis considered short-, medium-, and long-term time horizons consistent with the time horizons applied elsewhere in this Statement.

In accordance with IFRS S2, the Group conducted climate-related scenario analysis in FY2025 to assess the resilience of its strategy and operations under different climate pathways.

Scenario analysis — summary (FY2025)

Climate scenario analysis — IFRS S2 summary (FY2025)	
Climate-related scenarios applied	1.5°C transition-intense scenario; ≥2.0°C physical-risk-intense scenario
Purpose of scenario analysis	To assess the resilience of the Group's strategy and operations under different climate pathways and to inform strategic planning, risk management, and capital allocation
Time horizons considered	Short-term (FY2025–FY2027); Medium-term (FY2028–FY2034); Long-term (FY2035–FY2050)
Key climate-related assumptions and variables	Electricity tariff; cooling load; flood disruption; regulatory disclosure obligations; client ESG requirements
Nature of assessment	Qualitative scenario screening conducted at portfolio and key facility level; financial impacts not quantified in FY2025
Resilience insights and strategic implications	Qualitative prioritisation of transition and physical risks; identification of adaptation and mitigation measures to enhance operational resilience
Integration with risk management	Outputs used to inform climate-related risk identification, prioritisation, and updates to the enterprise risk management (ERM) risk register
Actions informed during FY2025	Prioritisation of renewable energy roadmap; resilience planning for HTV2; deployment of ESG data systems; development of an FY2026 workplan to quantify financial effects
Limitations and future enhancements	Qualitative screening approach; limited facility-level modelling; quantification of financial impacts targeted from FY2026

The FY2025 analysis represents an initial qualitative assessment, with further facility-level modelling and quantification of financial effects planned from FY2026.

Key assumptions considered included (i) rising electricity tariffs and volatility, (ii) increasing cooling demand at HTV2 driven by higher ambient temperatures, (iii) increased frequency and severity of flood-related disruption, (iv) evolving ESG disclosure obligations, and (v) stronger client ESG procurement requirements. The assessment focused on identifying the Company's principal operational sensitivities and potential response actions across short-, medium- and long-term horizons.

SECTION 5: MATERIALITY ASSESSMENT

5.1 Overview

HeiTech Padu Berhad conducts periodic Sustainability Materiality Assessments to identify environmental, social, and governance ("ESG") topics that are most relevant to the Group's operations, stakeholders, and long-term value creation. The materiality assessment supports the identification of sustainability-related risks and opportunities that could reasonably be expected to affect HeiTech's financial performance, operational resilience, and strategic positioning over the short-, medium-, and long-term. The assessment applies the financial materiality lens prescribed by IFRS S1 and IFRS S2 — focused on information that could reasonably be expected to influence the decisions of primary users of general-purpose financial reporting — rather than a double materiality approach.

The FY2025 Materiality Assessment was conducted in alignment with:

- **IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information
- **IFRS S2** Climate-related Disclosures
- **Bursa Malaysia Sustainability Reporting Guide (3rd Edition)**

The results of the assessment inform the Group's sustainability strategy, risk management priorities, and disclosures presented in this Sustainability Statement.

5.2 Materiality Determination Process

HeiTech adopted a structured five-step approach to identify and prioritise material ESG topics:

Step	Process	Description
1	Topic Identification	ESG topics were identified through regulatory requirements, industry benchmarks, internal risk registers, and sustainability frameworks.
2	Stakeholder Engagement	Input was obtained from internal and external stakeholders through engagement channels and management consultations.
3	Impact Evaluation	Each topic was evaluated based on its potential operational, financial, environmental, and social impacts.
4	Scoring and Prioritisation	Topics were scored using a materiality matrix considering stakeholder importance and business impact.
5	Validation	The results were reviewed by Management and validated through the Group's sustainability governance structure.

The ESG topics highlighted in the Executive Summary and the thematic discussions in Sections 8 to 10 reflect the material sustainability matters identified through the FY2025 materiality assessment described in this section.

5.3 Stakeholder Engagement

Stakeholder engagement forms an important component of the materiality assessment process, ensuring that the identified ESG topics reflect stakeholder expectations and operational realities.

Stakeholder Group	Engagement Channels	Key Areas of Interest
Employees	Internal discussions, HR engagement	Workplace safety, training and development
Customers and Clients	Project engagement and service reviews	Service reliability, cybersecurity
Shareholders and Investors	Annual General Meeting, investor engagement	Financial performance, governance
Regulators	Compliance reporting	Regulatory compliance and ESG disclosure
Suppliers and Partners	Vendor engagement processes	Responsible procurement
Communities	CSR programmes	Social impact and community development

5.4 Materiality Matrix — Key Sustainability Matters

Based on internal evaluation and stakeholder feedback, HeiTech identified a range of ESG topics relevant to the Group's business activities.

1. Importance to Stakeholders
2. Impact on HeiTech's Business

A scoring scale of 1 to 5 was applied.

Score	Interpretation
1	Low relevance
2	Moderate relevance
3	Medium relevance
4	High relevance
5	Extremely high relevance

The identified material ESG topics are as follows:

ESG Pillar	ESG Topic	Materiality Level
Environmental	Energy Consumption	High
	GHG Emissions	High
	Renewable Energy Adoption	High
	Waste and Resource Management	Medium
Social	Employee Development	High
	Occupational Health & Safety	High
	Diversity & Inclusion	High
	Community Engagement	Medium
Governance	Data Privacy & Cybersecurity	High
	Anti-Bribery & Corruption	High
	Regulatory Compliance	High
	Ethical Business Practices	High

Topics located in the upper-right quadrant of the Materiality Matrix — those scoring high on both stakeholder importance and business impact — represent the most material ESG issues and are prioritised for management attention and disclosure. These topics are reported in depth in Sections 8 (Environment), 9 (Social), and 10 (Governance) of this Statement.

Materiality Matrix



Water use and water stewardship	Responsible sourcing and supply chain standards	Waste management and circular economy	Community impact, engagement and social investment	Workplace health, safety and well being
Energy efficiency and use of renewable energy	Product and service quality safety and responsibility	Employee training, development and engagement	Climate change and GHG emissions	Ethical business conduct, integrity and anti-corruption
Biodiversity and land use impacts	Diversity, Equity and Inclusion (DEI)	Data privacy and cybersecurity	Human rights and fair labour practices	Economic performance, resilience and long-term value

5.5 Integration with Enterprise Risk Management

The material ESG topics identified through the assessment process are integrated into HeiTech's Enterprise Risk Management ("ERM") framework. Material sustainability risks are monitored alongside financial and operational risks via the ieRisk platform to ensure that potential impacts on the Group's strategy, performance, and financial position are appropriately managed.

This integration enables sustainability considerations to be embedded into strategic decision-making and risk management processes, ensuring that material ESG topics are not managed in isolation but are considered as part of the Company's broader risk and opportunity landscape. The ERM integration also facilitates escalation of material sustainability risks to the Risk and Sustainability Committee ("RSC") at the Board level, consistent with the governance structure described in Section 6.

5.6 Time Horizon of Sustainability-Related Risks and Opportunities

In accordance with IFRS S1, HeiTech assesses sustainability-related risks and opportunities across three-time horizons:

Time Horizon	Definition for HeiTech	Key Risks and Opportunities
Short-term	Up to 3 years (FY2025–FY2027)	Rising energy costs; mandatory ESG disclosure compliance; talent attraction and retention; cybersecurity threats; client ESG procurement requirements
Medium-term	3 to 10 years (FY2028–FY2034)	Carbon pricing mechanisms; physical climate risks to facilities; renewable energy transition; digital infrastructure efficiency standards; ESG-linked financing opportunities
Long-term	Beyond 10 years (FY2035–FY2050)	Net Zero transition; full value chain decarbonisation; climate-related physical risk intensification; nature-based solutions; sustainable digital ecosystem leadership

The time horizon classification is applied consistently across the environment, social, and governance risk and opportunity disclosures presented in Sections 8, 9, and 10 of this Statement.

5.7 Continuous Improvement

HeiTech will continue to enhance its materiality assessment framework through:

- Expanded stakeholder engagement incorporating a broader range of internal and external perspectives.
- Improved ESG data management through the planned deployment of the ESG Data Management System in FY2026.
- Alignment with evolving IFRS Sustainability Disclosure Standards, including the incorporation of climate risk assessment under IFRS S2.
- Integration of double materiality principles; assessing both the impact of sustainability matters on HeiTech's financial performance and HeiTech's impact on the environment and society, as reporting maturity develops.

The materiality assessment will be reviewed periodically to ensure that it remains aligned with stakeholder expectations, regulatory requirements, and emerging sustainability risks.

5.8 Linkage Between Material Topics and Disclosures

The table below provides a navigation guide linking each material ESG topic to where its governance, strategy, risk management, and metrics and targets are disclosed in this Sustainability Statement.

ESG Pillar	Material Topic	Key Disclosure Sections
Environmental	Energy Consumption	Section 8.3 Carbon Emissions and Energy Efficiency; Section 8.10 Data Centre Operational and Energy Efficiency Risks
	GHG Emissions	Section 8.3 Carbon Emissions and Energy Efficiency; Section 4.1 Emissions Calculation Assumptions
	Renewable Energy Adoption	Section 8.3 Carbon Emissions and Energy Efficiency; Section 8.5 E-Waste and Circular Economy Initiatives
	Waste and Resource Management	Section 8.4 Water Resource Management; Section 8.5 E-Waste and Circular Economy Initiatives
Social	Employee Development	Section 9.3 Human Capital and Workforce Development; Section 6.5 ESG Performance Monitoring and Sustainability Metrics
	Occupational Health & Safety	Section 9.5 Occupational Health and Safety
	Diversity & Inclusion	Section 9.4 Diversity, Equity and Inclusion
Governance	Community Engagement	Section 9.7 Corporate Social Responsibility and Community Impact
	Data Privacy & Cybersecurity	Section 9.6 Cybersecurity and Data Privacy Risks; Section 10.5 Cybersecurity and Digital Governance
	Anti-Bribery & Corruption	Section 10.6 Ethical Business Conduct and Anti-Corruption Measures
	Regulatory Compliance	Section 10.3 Regulatory Compliance and ESG Governance
	Ethical Business Practices	Section 10.6 Ethical Business Conduct and Anti-Corruption Measures; Section 6.2 Governance Structure for Sustainability

SECTION 6: SUSTAINABILITY GOVERNANCE

6.1 Governance Overview

HeiTech Padu Berhad's approach to sustainable governance is anchored in the principle that ESG considerations must be embedded into the Company's strategic direction, risk management, and day-to-day operations; not treated as a compliance obligation separate from the core business. The Board of Directors holds ultimate accountability for sustainability governance, supported by a structured multi-tiered governance framework that ensures clear roles, responsibilities, and escalation pathways from Board level through to operational execution.

HeiTech's sustainability governance framework has been strengthened in FY2025 through the establishment of a dedicated Sustainability Department in January 2025, the integration of sustainability risks into the enterprise risk management platform ieRisk, and the continued engagement of RC Compliance Sdn. Bhd. for external assurance of sustainability disclosures. These developments reflect the Company's commitment to governance excellence as a foundation for credible and transparent ESG reporting.

These arrangements were in place throughout FY2025 and at the date of approval of this Statement.

6.2 Governance Structure for Sustainability

HeiTech's sustainability governance structure is multi-tiered, ensuring accountability from Board level through to day-to-day operational execution:

Level	Body	Key Roles and Responsibilities
Board	Risk and Sustainability Committee (RSC)	Approves ESG strategy and sustainability roadmap; oversees climate-related and material ESG risks; reviews and endorses sustainability disclosures; monitors performance against targets and milestones
Strategic Management	Group Risk & Sustainability (GRS)	Ensures ESG integration into enterprise strategy, risk management, finance, and operations; translates Board-approved ESG strategy into actionable programmes; reviews ESG performance data prior to Board reporting
Operational	Sustainability Working Committee (SWG)	Executes sustainability roadmap initiatives; collects, validates, and consolidates ESG data across business units and facilities; drives day-to-day sustainability performance improvement
Secretariat	Sustainability Department	Coordinates roadmap execution; prepares sustainability disclosures; manages internal and external stakeholder engagement; ensures interdepartmental alignment and data governance

Further details of the Group's risk management and internal control framework, including the integration of ESG and climate-related risks, are provided in the Statement on Risk Management and Internal Control ("SORMIC") in the FY2025 Annual Report.

Risk and Sustainability Committee ("RSC")

The RSC operates at Board level and provides the highest level of oversight of HeiTech's sustainability strategy and performance. Its mandate encompasses the approval of ESG strategy and the Sustainability Roadmap 2025–2050, oversight of climate-related risks as required under IFRS S2, review of material ESG risks escalated through the ERM framework, and endorsement of the annual Sustainability Statement prior to publication. The RSC ensures that sustainability is integrated into HeiTech's fiduciary governance and long-term strategic planning.

Group Risk and Sustainability ("GRS")

The Group Risk & Sustainability (GRS) Committee serves as the strategic engine of HeiTech's sustainability programme. Comprising senior leaders from across the organisation, this management-level committee ensures that ESG goals are translated into actionable strategies and that sustainability considerations are integrated into enterprise risk management, capital planning and digital transformation. It provides the critical link between Board-level direction and operational execution and reviews ESG performance data prior to reporting to the RSC.

Sustainability Working Committee ("SWG")

The Sustainability Working Committee is the operational engine of day-to-day sustainability execution. It includes ESG focal points from departments including procurement, IT, facilities management, Group Human Capital, legal and compliance, and finance. The committee is responsible for executing roadmap initiatives, collecting and validating ESG data from both principal facilities, and reporting progress and emerging issues to the Group Risk & Sustainability Committee and the Sustainability Department.

Sustainability/ESG Department – Secretariat

The Sustainability Department, operating within the Strategic Communications and Sustainability Department, serves as the central coordinating hub for HeiTech's sustainability programme. The department is responsible for managing the execution of the Sustainability Roadmap, preparing ESG disclosures, coordinating the external assurance process, and engaging with internal and external stakeholders. The Secretariat ensures consistency, responsiveness, and accountability throughout the organisation's sustainability operations, and for FY2025, serves as the primary coordinating management function for sustainability related matters reported to the RSC.

Governance Enhancement Effective 1 January 2026 – Group Risk and Sustainability ("GRSD")

To further strengthen the strategic management of sustainability-related risks and opportunities and to prepare for full alignment with Bursa Malaysia's enhanced sustainability reporting requirements and the ISSB/IFRS standards, HeiTech has established a Group Risk & Sustainability Division (GRSD), effective 1 January 2026. The GRSD is a management function responsible for the strategic management of sustainability, including translating Board-approved sustainability strategy into enterprise-wide policies, frameworks and execution plans. Operating independently from business units, GRSD integrates ESG considerations into risk management, capital planning and corporate transformation initiatives, and will monitor sustainability performance across the Group, including metrics and targets required under the ISSB/IFRS standards. GRSD will serve as the primary reporting line to the RSC on sustainability-related matters and will work alongside the Sustainability Department and the SWG to support the Board in discharging its sustainability oversight responsibilities.

6.3 Sustainability Policies and Ethical Business Conduct

HeiTech's sustainability governance is underpinned by a suite of policies that establish the standards of conduct expected of all employees, directors, and business partners:

Policy	Purpose
Anti-Bribery and Corruption ("ABC") Policy	Aligned with Section 17A of the MACC Act 2009; establishes zero-tolerance standards for bribery and corrupt conduct
Whistleblowing Policy	Provides confidential and protected reporting channels for employees and third parties to report suspected misconduct
Personal Data Protection Policy	Ensures compliance with the Personal Data Protection Act 2010 ("PDPA") and applicable client data obligations
Procurement and Supplier Code of Conduct	Establishes ESG and ethical standards for vendor selection, onboarding, and performance management
Occupational Safety and Health Policy	Governs workplace safety standards in compliance with the Occupational Safety and Health Act 1994

These policies are reviewed periodically to ensure alignment with evolving regulatory requirements and stakeholder expectations. Policy compliance is monitored through internal audit processes and reported to the Audit Committee and RSC.

6.4 ESG and Sustainability Risk Integration in ERM

HeiTech's sustainability risks are integrated into the Company's enterprise-wide ERM Framework and managed through the ieRisk platform. Sustainability risks, including climate-related physical and transition risks, social risks, and governance risks, are assessed using the same **5x5 likelihood and severity matrix** applied to all enterprise risk categories, ensuring consistency and comparability in risk prioritisation.

The integration of sustainability risks into the ERM Framework ensures that:

- Material sustainability risks are visible to the Board and Management alongside financial and operational risks
- Climate-related risks are assessed and disclosed in accordance with IFRS S2 requirements (Section 8)
- Sustainability risk owners are assigned at the departmental level, with clear accountability for mitigation and monitoring
- Risk escalation pathways are clearly defined, with material risks reported to the RSC at Board level

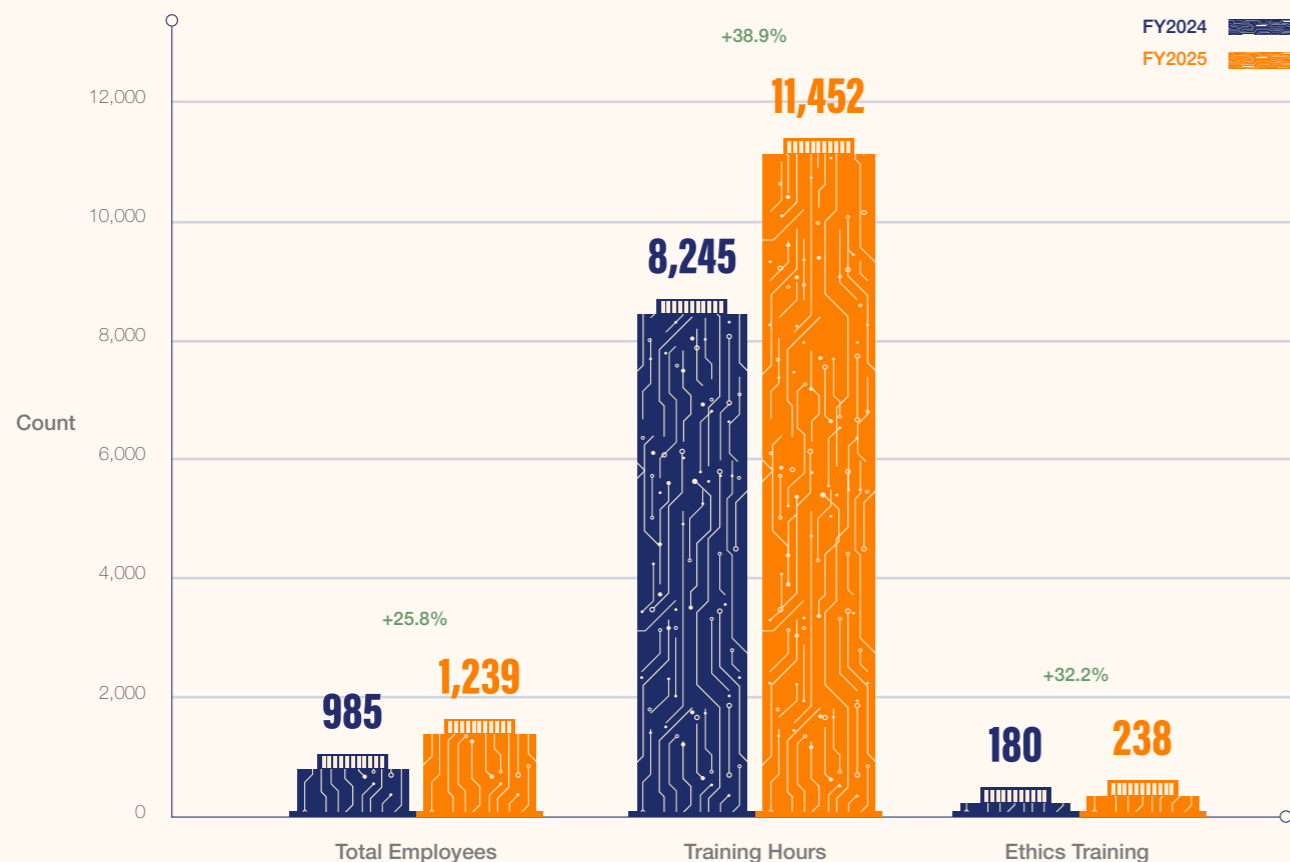
6.5 ESG Performance Monitoring and Sustainability Metrics

HeiTech monitors ESG performance through a structured set of key performance indicators ("KPIs") spanning environmental, social, and governance dimensions. Performance against these KPIs is tracked on a quarterly basis by the Sustainability Department and reported to Risk and Sustainability Committee.

ESG performance data for FY2025 is presented in full in Sections 7, 8, 9, and 10 of this Statement. A summary of key FY2025 outcomes is provided below:

Dimension	Key Indicator	FY2024	FY2025
Environmental	Total GHG Emissions (tCO ₂ e)	8,883.00	9,416.67
	Total Electricity Consumption (MWh)	8,735.01	8,963.97
	Renewable Energy Consumption (MWh)	197.81	194.86
	Water Consumption (ML)	5.15	7.64
Social	Total Employees	985	1,239
	Total Training Hours	8,245	11,452
	Lost Time Injuries	0	0
	Workplace Fatalities	0	0
Governance	Significant Regulatory Breaches	0	0
	Confirmed Corruption Incidents	0	0
	Cybersecurity Incidents	0	0
	Employees Trained on Ethics and Compliance	180	238

Key ESG Metrics FY2024 vs FY2025



Internal Review and Pre-Assurance Process

Prior to external assurance, this Sustainability Statement was subject to an internal review conducted by the Sustainability Department and the Group Risk and Sustainability, covering data accuracy, narrative consistency, and alignment with Bursa Malaysia, NSRF, IFRS S1 and IFRS S2 requirements. The internal review process supports the Board's confidence in the integrity of disclosures contained in this Statement and ensures that data submitted via the Bursa Malaysia CSI Platform is consistent with the disclosures presented herein.

6.6 Continuous Improvement and Future Focus Areas

HeiTech is committed to the continuous improvement of its sustainability governance framework. Key focus areas for FY2026 and beyond include:

- Operationalisation of the Group Risk & Sustainability Division (GRSD) as the strategic management function for sustainability from FY2026 onwards.
- Completion of the Board assessment framework review, incorporating formal ESG performance evaluation criteria for Board members and senior management.
- Formalisation of ESG-linked KPIs in senior management performance evaluations and remuneration frameworks.
- Deployment of the ESG Data Management System to automate data collection, validation, and reporting across all facilities.
- Expansion of the sustainability reporting boundary to include subsidiaries and Project and Service Delivery Sites.
- Development and implementation of a formal AI Governance Framework.

6.7 Sustainability Metrics, Targets and Performance Tracking

HeiTech's sustainability targets are established under the Sustainability Roadmap 2025–2050 and cover the three decadal phases of the Net Zero journey. Near-term targets applicable to the FY2025–FY2030 period are summarised below:

All sustainability targets under the Sustainability Roadmap 2025–2050 are set relative to the FY2024 baseline year, which represents the Company's first year of externally assured, comparable sustainability data.

Target	Baseline	Target Year	Target Level	FY2025 Status
Reduce Scope 1 and 2 GHG emissions	FY2024	FY2030	30% reduction	In progress
Renewable energy as % of total electricity	FY2024	FY2026	10%	2.17% — below target; improvement actions planned
ESG training coverage — all employees	FY2024	FY2027	100%	In progress
Achieve Bursa Malaysia 4-Star ESG Rating	FY2024 (3-Star, 2.8/5.0)	FY2027	4-Star (≥3.7/5.0)	In progress
Net Zero — all scopes	FY2024	FY2050	Net Zero	Phase I in progress

Progress against all targets is reviewed by the Group Risk & Sustainability Committee and the Sustainability Department on a periodic basis and reported to the RSC."

SECTION 7: BURSA MALAYSIA CSI SUSTAINABILITY REPORTING PLATFORM

7.1 Overview

This section presents the Company's core environmental, social and governance indicators as submitted to Bursa Malaysia's Common Sustainability Indicator ("CSI") reporting platform. Summary performance highlights are reflected in the Executive Summary, with detailed thematic analysis provided in Sections 8 to 10.

Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") Platform is a structured digital reporting mechanism through which listed issuers submit prescribed sustainability performance data directly to the Exchange. The platform, previously referred to as the ESG Reporting Platform, was renamed in line with Bursa Malaysia's broader enhancements to its Sustainability Reporting Framework, effective for reporting periods commencing FY2025.

The CSI Platform serves as a key interface between issuer-level sustainability performance and market-wide ESG comparability.

HeiTech Padu Berhad is required to submit sustainability performance data via the CSI Platform as a **Main Market issuer**. Data submitted through the platform is consistent with the disclosures presented in this Statement and is governed by the same reporting boundary, methodology, and data governance controls described in Sections 1, 3, and 4.

7.2 Alignment with Bursa Malaysia Sustainability Reporting Framework

HeiTech's sustainability disclosures are prepared in alignment with the **Bursa Malaysia Sustainability Reporting Guide (3rd Edition)** and the mandatory ESG indicator requirements applicable to Main Market issuers. The CSI Platform operationalises these requirements by providing a structured template for the submission of quantitative ESG performance data across Environmental, Social, and Governance dimensions.

The Company's approach to CSI Platform reporting is further informed by its use of IFRS S1 and IFRS S2 principles in structuring sustainability-related disclosures, ensuring that the data submitted is consistent with climate-related and sustainability-related financial disclosure requirements as described in Section 1. Where Bursa's prescribed indicators overlap with IFRS S1/S2 disclosure requirements; particularly in relation to GHG emissions, energy consumption, and governance metrics; a single set of reported data is applied across both reporting channels to ensure consistency and avoid discrepancies.

7.3 Sustainability Data Reporting via the CSI Platform

The table below presents HeiTech Padu Berhad's FY2025 sustainability performance data as submitted via the CSI Platform, covering the three principal ESG dimensions:

Environmental Indicators

Indicator	Unit	FY2023 (Contextual only)	FY2024	FY2025
Total GHG Emissions (Scope 1 + 2 + 3)	tCO ₂ e	N/A ²	8,883.00	9,416.67
Electricity Consumption	MWh	9,690.24 ¹	8,735.01	8,963.97
Renewable Energy Consumption	MWh	N/A ²	197.81	194.86
Water Consumption	ML	9,889 ¹	5.15	7.64

¹ FY2023 electricity and water figures are sourced from the FY2023 Annual Report and are presented for contextual reference only; prepared under a different reporting boundary and are not directly comparable with FY2024 and FY2025 data.

² GHG emissions and renewable energy data were not reported on a comparable basis prior to FY2024. Systematic and comparable GHG measurement commenced in FY2024. Accordingly, FY2024 serves as the Group's emissions baseline year for target-setting, trend analysis, and IFRS S1/S2 disclosures. FY2023 data is presented for contextual reference only and is not used as a baseline.

Social Indicators

Indicator	Unit	FY2024 (Contextual only)	FY2025
Total Employees	Number	985	1,239
Male Employees	Number	602	761
Female Employees	Number	383	478
Total Training Hours	Hours	8,245	11,452
Average Training Hours per Employee	Hours	8.37	9.2
Lost Time Injuries	Number	0	0
Workplace Fatalities	Number	0	0
Safety Incidents	Number	0	0

³ FY2023 social and governance data was not systematically collected under a comparable reporting framework prior to FY2024. FY2024 is therefore the baseline year for social and governance indicators. FY2023 figures are not presented as comparatives for this reason.

Governance Indicators

Indicator	Unit	FY2024	FY2025
Confirmed Corruption Incidents	Number	0	0
Employees Trained on Ethics and Compliance	Number	180	238
Significant Regulatory Breaches	Number	0	0
Monetary Fines or Sanctions	Number	0	0
Data Privacy Breaches	Number	0	0
Cybersecurity Incidents	Number	0	0

Note: No confirmed corruption incident was recorded in FY2025. The Company's anti-bribery and corruption framework, including its Whistleblowing Policy, remains in full effect. Further details are disclosed in Section 10.

7.4 ESG Assurance Opinion Statement and External Validation

To support the integrity and credibility of data submitted via the CSI Platform, HeiTech engages **RC Compliance Sdn. Bhd. ("RC Compliance")** to provide independent external assurance over selected sustainability disclosures. External assurance commenced in FY2024 and has been continued for FY2025. The scope, methodology, and findings of the assurance engagement are set out in full in **Section 12 (Independent Assurance Opinion Statement)**.

The engagement of external assurance reflects the Company's commitment to investor-grade sustainability reporting and is consistent with the direction of Bursa Malaysia's evolving sustainability disclosure requirements for Main Market issuers.

7.5 Continuous Improvement and Future Roadmap

HeiTech is committed to progressively enhancing the quality, coverage, and verification of data submitted via the CSI Platform. Key areas of focus for future reporting periods include:

Initiative	Target Timeline
Expansion of reporting boundary to include subsidiaries	FY2026
Inclusion of Project and Service Delivery Sites in environmental data	FY2026
Deployment of automated ESG data collection system (ESG Dashboard)	Q2 FY2026
Broader Scope 3 categories beyond Categories 6 and 7	FY2026–FY2027
Subscribe to Bursa CSI Scope 3 Cat 1 to 12 Calculator	FY2026
Achieve Bursa Malaysia 4-Star ESG Rating	FY2027

These initiatives are consistent with Phase I of the **Sustainability Roadmap 2025–2050** and reflect the Company's commitment to continuous improvement in sustainability data governance, transparency, and comparability.

7.6 Bursa Malaysia ESG Reporting Platform (CSI)

BMLR Transition Period

HeiTech Padu Berhad

BMLR Transition Period

Date & Time: 2026-04-19_22:11:45

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti -Corruption	C1 (a) Percentage of employees who received training on anti-corruption	Management Executive Non-Executive	4.15% 24.07% 16.67%	—	External (Limited)
Anti -Corruption	C1 (b) Percentage of operations assessed for corruption-related	Percentage	100%	—	External (Limited)
Anti -Corruption	C1 (c) Confirmed incidents of corruption and actions taken	Number	0	—	External (Limited)
Community / Society	C2 (a) Total amount invested in the community where beneficiaries are external to listed issuer	MYR	215,188.50	—	External (Limited)
Community / Society	C2 (b) Total numbers of beneficiaries from community investment	Number	8	—	External (Limited)
Annual General Meeting	Number of days between notice and meeting	Number	57	—	External (Limited)
Diversity	C3 (a) Percentage of employees by gender and age group for each employee	—	—	—	External (Limited)
Diversity	Management (Under 30)	Percentage	0.27%	—	External (Limited)
Diversity	Management (30-39)	Percentage	3.47%	—	External (Limited)
Diversity	Management (40-49)	Percentage	7.71%	—	External (Limited)
Diversity	Management (50-59)	Percentage	8.22%	—	External (Limited)
Diversity	Management (60 and above)	Percentage	0.69%	—	External (Limited)
Diversity	Executive (Under 30)	Percentage	33.60%	—	External (Limited)
Diversity	Executive (30-39)	Percentage	23.94%	—	External (Limited)

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BMLR Transition Period

HeiTech Padu Berhad

BMLR Transition Period

Date & Time: 2026-04-19_22:11:45

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Executive (40-39)	Percentage	12.34%	—	External (Limited)
Diversity	Executive (50-59)	Percentage	6.52%	—	External (Limited)
Diversity	Executive (60 and above)	Percentage	0.16%	—	External (Limited)
Diversity	Non-Executive (Under 30)	Percentage	0.04%	—	External (Limited)
Diversity	Non-Executive (30-39)	Percentage	1.32%	—	External (Limited)
Diversity	Non-Executive (40-49)	Percentage	1.29%	—	External (Limited)
Diversity	Non-Executive (50-59)	Percentage	0.43%	—	External (Limited)
Diversity	Non-Executive (60 and above)	Percentage	0.00%	—	External (Limited)
Gender Representation Employee Category - Female (%)	Female	—	—	—	External (Limited)
Management	Female	Percentage	7.77%	—	External (Limited)
Executive	Female	Percentage	31.07%	—	External (Limited)
Non - Executive	Female	Percentage	0.35%	—	External (Limited)
Employee Category - Male (%)	Male	—	—	—	External (Limited)
Management	Male	Percentage	12.59%	—	External (Limited)
Executive	Male	Percentage	45.50%	—	External (Limited)
Non - Executive	Male	Percentage	2.74%	—	External (Limited)
Diversity	C3 (b) Percentage of Directors by gender and age group	Percentage	—	—	External (Limited)
Male Directors	Male	Percentage	91.94%	—	External (Limited)

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BMLR Transition Period

HeiTech Padu Berhad

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Female Directors	Female	Percentage	8.06%	—	External (Limited)
Directors above 60-69	—	Percentage	35.28%	—	External (Limited)
Directors above 70	—	Percentage	32.78%	—	External (Limited)
Total Number of Board Directors	—	Number	10	—	External (Limited)
Number of Independent Directors	—	Number	7	—	External (Limited)
Number of Women on the Board	—	Number	1	—	External (Limited)
Energy Management	C4 (a) Total Energy Consumption (Non - Renewable Energy)	Megawatt	8,963.97	—	External (Limited)
Energy Management	C4 (b) Total Energy consumption (Renewable Energy)	Megawat	194.86	—	External (Limited)
Health & Safety	C5 (a) Number of work related fatalities	Number	0	—	External (Limited)
Health & Safety	C5 (b) Lost Time Incident rate(LTIR)	Rate	0	—	External (Limited)
Health & Safety	C5 (c) Number of employees trained on health & safety standards	Number	5	—	External (Limited)
Labour Practices & Standards	C6 (a) Total hours of training by employee category	Hours	—	ESG training coverage all employees by 2027 - 100%	External (Limited)
Labour Practices & Standards	Management	Hours	627	—	External (Limited)
Labour Practices & Standards	Executive	Hours	10,678	—	External (Limited)
Labour Practices & Standards	Non-Executive	Hours	147	—	External (Limited)
Labour Practices & Standards	C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	1.78%	—	External (Limited)
Labour Practices & Standards	C6 (c) Total number of employee turnover by employee category	—	—	—	External (Limited)

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BMLR Transition Period

HeiTech Padu Berhad

BMLR Transition Period

Date & Time: 2026-04-19_22:11:45

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices & Standards	Management	Number	53	—	External (Limited)
Labour Practices & Standards	Executive	Number	150	—	External (Limited)
Labour Practices & Standards	Non-Executive	Number	8	—	External (Limited)
Labour Practices & Standards	C (d) Substantiated Complaints concerning Human Right Violations	Number	0	—	External (Limited)
Supply Chain Management	C7 (a) Proportion of spending on local suppliers	Percentage	78.30%	—	External (Limited)
Data Privacy & Security	C 8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	External (Limited)
Water	C 9 (a) Total volume of water	Megalitres	764	—	External (Limited)
Emission	Scope 1 Direct 1 company vehicles in 2024, excluded 1 vehicle and Gen Set x 5	tCO2e	0.946	—	External (Limited)
Emission	Scope 2 Indirect Electricity Purchased and Solar No off set only reduced purchase of electricity	tCO2e	6633.337	—	External (Limited)
Emission	Scope 3 (Cat 6) Business Travel	tCO2e	103.377	—	External (Limited)
Emission	Scope (Cat 7) Employee commuting	tCO2e	2679.00	—	External (Limited)
Waste	C 10(a) Total waste generated	Metric Tonnes	0	—	External (Limited)

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IFRS S1

HeiTech Padu Berhad

IFRS S1

Date & Time: 2026-04-19_22:11:45

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti -Corruption	C1 (a) Percentage of employees who received training on anti-corruption	Management Executive Non-Executive	4.15% 24.07% 16.67%		External (Limited)
Anti -Corruption	C1 (b) Percentage of operations assessed for corruption-related	Percentage	100%	—	External (Limited)
Anti -Corruption	C1 (c) Confirmed incidents of corruption and actions taken	Number	0	—	External (Limited)
Data Privacy & Security	C 8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	External (Limited)
Health & Safety	C5 (a) Number of work related fatalities	Number	0	—	External (Limited)
Health & Safety	C5 (b) Lost Time Incident rate(LTIR)	Rate	0	—	External (Limited)
Health & Safety	C5 (c) Number of employees trained on health & safety standards	Number	5	—	External (Limited)
Labour Practices & Standards	C6 (a) Total hours of training by employee category	Management Executive Non-Executive	627 10,678 147	ESG training coverage all employees by 2027 - 100%	External (Limited)
Labour Practices & Standards	C6 (c) Total number of employee turnover by employee category	Management Executive Non-Executive	53 150 8	—	External (Limited)
Energy Management	C4 (a) Total Energy Consumption (Non - Renewable Energy)	Megawatt	8963.97	—	External (Limited)
Energy Management	C4 (b) Total energy consumption (Renewable Energy)	Megawatt	194.86	—	External (Limited)
Water	C9 (a) Total volume of water	Megalitres	764	—	External (Limited)

IFRS S2

HeiTech Padu Berhad

IFRS S2

Date & Time: 2026-04-19_22:11:45

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1 Direct 1 company vehicles in 2024 excluded 1 vehicle and Gen set x 5	tCO2e	0.946	Targets of 30% reduction in scope 1 and scope 2 emissions by FY2030 and 70% by FY2040 Net Zero all scopes by Y2050	External (Limited)
GHG emissions	Scope 2 Indirect Electricity purchased and solar No off set only reduced purchase of electricity	tCO2e	6.633.337	Targets of 30% reduction in scope 1 and scope 2 emissions by FY2030 and 70% by FY2040 Net Zero all scopes by Y2050	External (Limited)
GHG emissions	Scope 3 Cat.6: Business travel	tCO2e	103.377	Net Zero all scopes by Y2050	External (Limited)
GHG emissions	Scope 3 Cat.7: Employee commuting	tCO2e	2679.00	Net Zero all scopes by Y2050	External (Limited)

SECTION 8: ENVIRONMENT-RELATED RISKS AND OPPORTUNITIES

8.1 Overview

This section sets out environment-related risks and opportunities that are material to HeiTech's operations and strategy. The environmental information in this section is prepared on the basis of the reporting boundary set out in Section 3. Methodologies, key assumptions and measurement uncertainties relating to environment indicators are explained in Section 4 (Judgements and Measurement Uncertainties).

HeiTech Padu Berhad recognises that environmental sustainability is both a risk management imperative and a strategic opportunity. As a technology company operating energy-intensive ICT infrastructure, the Company's principal environmental exposures relate to energy consumption, GHG emissions, water use, and the physical and transition effects of climate change on its operations and service delivery.

This section presents HeiTech's environment-related risks and opportunities in accordance with the four IFRS S2 disclosure pillars — **Governance, Strategy, Risk Management, and Metrics and Targets** — and is structured to address both the Company's operational environmental footprint and the broader climate-related risks and opportunities identified through the enterprise risk management process.

8.2 Environmental Risk Management Approach

HeiTech's environmental risk management is embedded within the Company's enterprise-wide **ERM Framework**, operationalised through the ieRisk platform. Environmental risks — including climate-related physical and transition risks — are identified, assessed, prioritised, and monitored using a **5x5 likelihood and severity matrix**, consistent with the methodology applied across all enterprise risk categories.

Environmental risks are reviewed on a periodic basis by the **RSC** at Board level, and by the **Group Risk & Sustainability** at the operational level. Material environmental risks are escalated to the RSC for oversight and strategic response. This governance structure is described in detail in Section 6.

The risk identification process for FY2025 incorporated:

- Internal environmental performance data from HQ and HTV2
- Stakeholder input gathered through the FY2025 Materiality Assessment (Section 5)
- Regulatory monitoring of Bursa Malaysia, Securities Commission, and Ministry of Natural Resources and Environmental Sustainability requirements
- Reference to Malaysia's Nationally Determined Contributions ("NDCs") and National Energy Transition Roadmap ("NETR")
- Benchmarking against industry peers in the ICT and data centre sectors

8.3 Carbon Emissions and Energy Efficiency

Total GHG emissions for FY2025 were 9,416.67 tCO₂e (FY2024: 8,883.00 tCO₂e), primarily reflecting an increase in reported Scope 3 Category 7 (employee commuting) emissions following strong workforce growth and expanded reporting coverage, rather than deterioration in operational efficiency. The marginal increase in emissions intensity reflects the inclusion of higher Scope 3 Category 7 emissions, while facility level electricity intensity at HTV2 remained broadly stable over the period. The Company will adopt revenue-based intensity metrics (tCO₂e per RM million revenue) from FY2027 onwards to enable more meaningful cross sector benchmarking, consistent with IFRS S2 requirements.

Energy Consumption Performance

Energy Indicator	Unit	FY2024	FY2025
Total Electricity Consumption	MWh	8,735.01	8,963.97
Renewable Energy Consumption (Solar PV — HTV2)	MWh	197.81	194.86
Renewable Energy as % of Total Electricity %	%	2.26%	2.17%

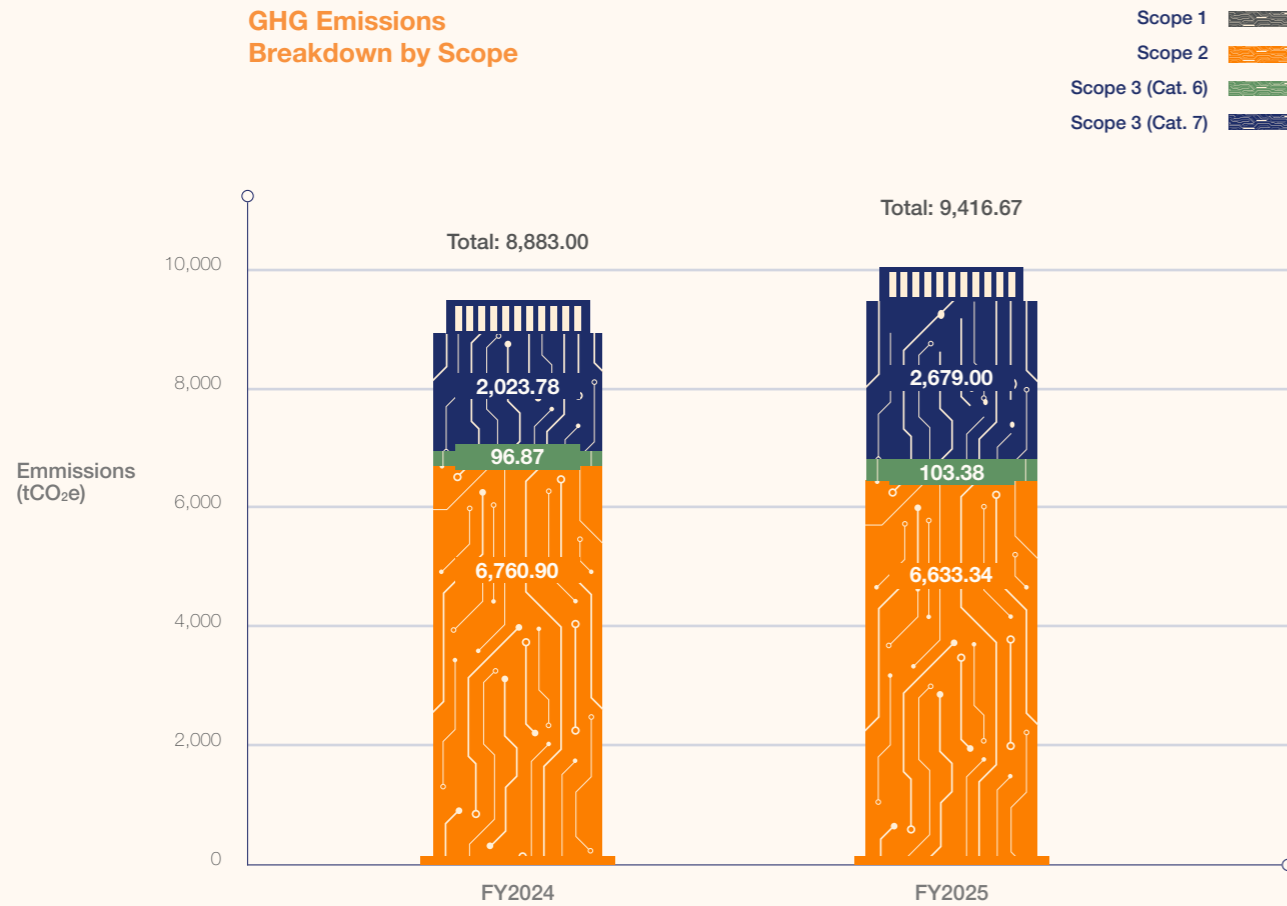
The on-site solar PV system at HTV2 continues to provide a modest contribution to the facility's energy mix. While renewable energy consumption remained broadly stable year-on-year, the Company recognises that accelerating renewable energy adoption is a key near-term priority under the Sustainability Roadmap 2025–2050, with a target of sourcing 10% of electricity from renewable sources by FY2027. Further detail on environmental performance indicators, including total GHG emissions and water consumption, is provided in Section 7 (Bursa Malaysia CSI Sustainability Reporting Platform).

GHG Emissions Performance

HeiTech's GHG emissions for FY2025 are presented below across Scope 1, Scope 2, and reported Scope 3 categories. FY2024 comparative figures are included, as FY2024 represents the Company's established emissions baseline year and the first year of consistent Scope 1, Scope 2, and selected Scope 3 measurement under a stable reporting boundary.

Emissions Category	Unit	FY2024 (Baseline)	FY2025
Scope 1 — Direct emissions (fuel combustion)	tCO ₂ e	1.45	0.95
Scope 2 — Purchased electricity (location-based)	tCO ₂ e	6,760.90	6,633.34
Scope 3 Cat. 6 — Business travel	tCO ₂ e	96.87	103.38
Scope 3 Cat. 7 — Employee commuting	tCO ₂ e	2,023.78	2,679.00
Total GHG Emissions	tCO ₂ e	8,883.00	9,416.67

GHG Emissions Breakdown by Scope



Total GHG emissions for FY2025 were 9,416.67 tCO₂e (FY2024: 8,883.00 tCO₂e). The increase is primarily attributable to Scope 3 Category 7 (employee commuting) following headcount growth.

Further detail on environmental performance indicators is provided in Section 7 (Bursa Malaysia CSI Sustainability Reporting Platform).

GHG Emissions Intensity

GHG emissions intensity is calculated as total GHG emissions (tCO₂e) per FTE employee. For FY2025, the Company's GHG emissions intensity was 12.48 tCO₂e/FTE (FY2025: 9,416.67 tCO₂e ÷ 1239 FTE), compared to 9.02 tCO₂e/FTE in FY2024 (8,883.00 tCO₂e ÷ 985 FTE).

Total GHG Intensity	Unit	FY2024	FY2025
Total GHG Emissions	tCO ₂ e	8,883.00	9,416.67
Average Annual Full-Time Equivalent	FTE	985	1239
tCO ₂ e divided by FTE	Intensity	9.02	12.48

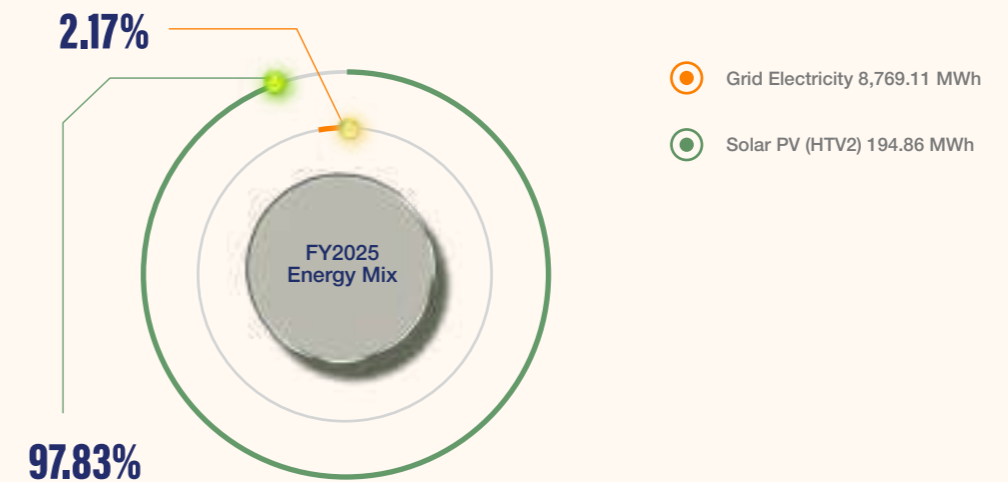
FTE methodology: year-end employee headcount is used as the workforce denominator for annual intensity calculations.

The marginal increase in emissions intensity reflects the inclusion of higher Scope 3 Category 7 (employee commuting) emissions following expanded workforce reporting coverage, rather than a deterioration in operational efficiency. Facility-level electricity intensity at HTV2 remained broadly stable. The Company will adopt revenue-based intensity metrics (tCO₂e per RM million revenue) from FY2026 onwards to enable more meaningful cross-sector benchmarking, consistent with IFRS S2 requirements.

Energy Consumption Performance

Energy Indicator	Unit	FY2024	FY2025
Total Electricity Consumption	MWh	8,735.01	8,963.97
Renewable Energy Consumption (Solar PV — HTV2)	MWh	197.81	194.86
Renewable Energy as % of Total Electricity	%	2.26%	2.17%

Energy Mix — Renewable vs Grid Electricity FY2025



The on-site solar PV system at HTV2 continues to provide a modest contribution to the facility's energy mix. While renewable energy consumption remained broadly stable year-on-year, the Company recognises that accelerating renewable energy adoption is a key near-term priority under the Sustainability Roadmap 2025–2050, with a target of sourcing 10% of electricity from renewable sources by FY2026.

Emissions Reduction Targets

Target	Baseline Year	Target Year	Reduction Target
Scope 1 and 2 emissions reduction	FY2024	FY2030	30%
Scope 1 and 2 emissions reduction	FY2024	FY2040	70%
Net Zero — all scopes	FY2024	FY2050	Net Zero

Progress against these targets will be tracked annually through the GHG inventory process and reported in successive Sustainability Statements. The Company is committed to prioritising emissions reductions over carbon offsets, consistent with the principles established in the Sustainability Roadmap 2025–2050.

All emissions reduction targets set out above are established on a gross emissions basis, measured before the application of any carbon offsets, carbon credits, or other market-based compensation instruments. HeiTech does not currently hold, purchase, or plan to use carbon offsets or carbon credits to meet its FY2030 interim targets of 30% reduction in Scope 1 and Scope 2 emissions. The Company's decarbonisation strategy prioritises direct operational emissions reductions — including energy efficiency improvements, renewable energy adoption, and infrastructure upgrades — over offset-based mechanisms. The use of carbon offsets as a supplementary instrument will be assessed only in the context of residual emissions in the later phases of the Sustainability Roadmap 2025–2050, consistent with science-based net zero principles. This position will be reviewed and disclosed in successive Sustainability Statements as the Roadmap progresses.

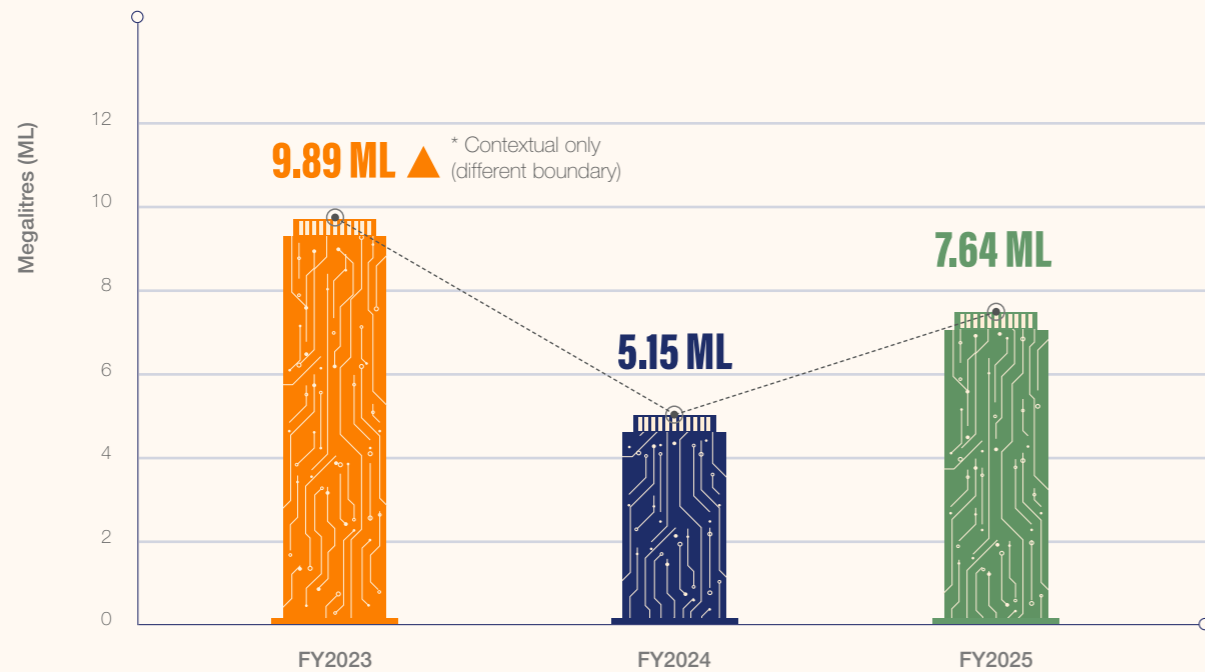
Further detail on environmental performance indicators, including total GHG emissions and water consumption, is provided in Section 7 (Bursa Malaysia CSI Sustainability Reporting Platform).

8.4 Water Resource Management

For FY2025, water consumption disclosure covers HeiTech Village 2 ("HTV2") only, based on utility invoice data issued by the relevant water authority. Water consumption at Menara Insignia HQ is not separately disclosed because water charges are incorporated within the building rental arrangement.

Water Indicator	Unit	FY2023 ¹	FY2024	FY2025
Total Water Consumption	ML	9.889	5.15	7.64

Water Consumption Trend – FY2023 to FY2025



Note: FY2023 uses a different reporting boundary, shown for context only.

¹ FY2023 figure sourced from AR2023 and presented for contextual reference only; prepared under a different reporting boundary and not directly comparable with FY2024 and FY2025 data.

The increase in water consumption from 5.15 ML (FY2024) to 7.64 ML (FY2025) is assessed to be primarily attributable to workforce growth and increased operational activity at HTV2. The Company has identified water consumption monitoring and efficiency as an area for improvement under the Sustainability Roadmap, with planned initiatives including smart water metering and employee awareness programmes.

Water risk mapping across HeiTech's facilities is planned for FY2026 to identify high-consumption areas and potential climate-related water-stress vulnerabilities, particularly amid rising temperatures and shifting rainfall patterns in the Klang Valley region.

8.5 E-Waste and Circular Economy Initiatives

E-waste and circular economy disclosures are assessed as not material for standalone disclosure in FY2025, given HeiTech's current service-oriented business model and the absence of significant manufacturing or hardware production activities within the reporting boundary.

The Company nonetheless manages end-of-life IT equipment through responsible disposal and refurbishment channels, in compliance with the Environmental Quality Act 1974 (as amended) and applicable scheduled waste regulations.

8.6 Environmental Sustainability Opportunities

HeiTech identifies the following material environmental opportunities relevant to its business model and strategic positioning:

Opportunity	Nature	Time Horizon
Renewable Energy Solutions for Clients — Growing public and private sector demand for solar rooftop and mini-hydro systems presents revenue opportunities through HeiTech's Renewable Energy service line	Revenue growth	Short to medium-term
Energy-Efficient Data Centre Services — Clients increasingly procure managed infrastructure from providers with demonstrable energy efficiency credentials; HTV2's operational profile supports this positioning	Competitive differentiation	Short-term (ongoing)
Green Digital Platforms — Demand for ESG monitoring, emissions tracking, and sustainability analytics platforms creates product development opportunities aligned with HeiTech's ICT capabilities	New product revenue	Medium-term
ESG-Linked Financing — Demonstrated progress on the Net Zero Roadmap supports access to sustainability-linked loans and green financing instruments	Reduced cost of capital	Medium-term
Renewable Energy Procurement Cost Savings — Progressive transition to renewable energy sources reduces long-term exposure to grid electricity price volatility	Operating cost reduction	Medium to long-term

8.7 Future Commitments and ESG Roadmap

HeiTech's near-term environmental commitments for FY2026 and beyond are set out below, consistent with Phase I (2025–2030) of the Sustainability Roadmap 2025–2050:

Commitment	Target Timeline
Complete formal GHG baseline verification (Scope 1, 2, and 3) with external assurance	FY2025 Completed
Expand renewable energy contribution to 10% of total electricity consumption	FY2027
Deploy ESG data management system for real-time environmental monitoring	Q2 FY2026
Expand Scope 3 coverage to additional categories beyond Cat. 6 and Cat. 7	FY2026–FY2027
Enhance and deepen climate-related scenario analysis, including broader quantification of financial effects and facility-level resilience assessment	FY2026
Complete water risk mapping across principal facilities	FY2026
Achieve 30% reduction in Scope 1 and Scope 2 emissions from FY2024 baseline	FY2030

8.8 Climate-Related Physical and Transition Risks

In accordance with IFRS S2 Climate-related Disclosures, HeiTech discloses its identified climate-related physical and transition risks and the anticipated effects on its business model, strategy, and financial performance.

Physical Risks

Physical Risk	Description	Affected Facility	Potential Impact	Management Response
Acute: Flooding	Increased frequency and intensity of flash flooding in the Klang Valley and Shah Alam corridor	HTV2; Menara Insignia HQ	Disruption to data centre operations; damage to IT infrastructure	BCP and DRP maintained and assessed; flood risk assessment planned for FY2026
Acute: Extreme Heat Events	Rising ambient temperatures increasing cooling load at HTV2	HTV2 Data Centre	Data Centre Increased energy consumption; elevated risk of equipment thermal failure	Ongoing HVAC performance monitoring; planned energy efficiency upgrades
Chronic: Rising Average Temperatures	Long-term increase in ambient temperatures increasing baseline cooling energy demand	HTV2; Menara Insignia HQ	Structural increase in Scope 2 electricity consumption and associated costs	Energy efficiency roadmap; renewable energy transition; BMS optimisation
Chronic: Water Stress	Potential reduction in water availability in Selangor due to climate-driven changes	Both facilities	Risk to cooling water supply at HTV2; operational disruption	Water consumption monitoring; smart metering planned

Transition Risks

Transition Risk	Description	Potential Impact	Management Response
Policy and Regulatory: Carbon Pricing	Introduction of carbon pricing mechanisms in Malaysia	Increased operating costs if emissions are subject to a carbon levy	Emissions reduction roadmap targeting 30% reduction by FY2030
Policy and Regulatory: Mandatory ESG Disclosure	Progressive tightening of Bursa Malaysia and SC mandatory sustainability reporting	Compliance costs; reputational risk if disclosures are inadequate	Progressive alignment with IFRS S1/S2 and NSRF-informed reporting; external assurance engaged
Market: Client ESG Requirements	Increasing embedding of ESG criteria in procurement tenders	Risk of contract loss if ESG credentials are insufficient	Active investment in ESG capability; target 4-Star ESG Rating by FY2027
Technology: Energy Efficiency Standards	Tightening energy efficiency requirements for data centres	Capital expenditure for infrastructure upgrades	Ongoing HTV2 energy efficiency programme
Reputational: Greenwashing Risk	Heightened scrutiny of ESG claims by investors and regulators	Reputational damage if disclosures not substantiated	External assurance; transparent disclosure of limitations

8.9 Climate Resilience Assessment

HeiTech's assessment of climate resilience is informed by the climate-related scenario analysis described in Section 4.6. Under the lower-warming, transition-intense scenario, the principal pressures on the Company are expected to arise from tightening disclosure obligations, stronger client ESG requirements, and the need for continued investment in energy efficiency, data governance, and low-carbon service delivery capability.

Under the higher-warming scenario, the principal pressures are expected to arise from increased cooling demand, higher electricity-related operating costs, and elevated physical disruption risks affecting Menara Insignia HQ and HTV2, including risks associated with extreme heat, flooding, and business continuity.

Based on the analysis performed, HeiTech's strategy and business model are assessed as resilient in the short- to medium-term, subject to continued execution of the Sustainability Roadmap 2025–2050, strengthening of facility-level resilience measures, progressive improvement in energy performance, and enhancement of ESG data governance and climate-risk management capabilities.

The scenario analysis also confirms the importance of completing the Company's planned sustainability reporting boundary expansion, broadening Scope 3 coverage, and strengthening climate-related financial quantification capability from FY2026 onwards.

8.10 Digital Infrastructure and Cloud Infrastructure Risks

As HeiTech's clients increasingly migrate mission-critical workloads to cloud and hybrid environments, the resilience and sustainability of digital infrastructure have become material ESG considerations.

Energy Intensity of Cloud and Managed Services

The delivery of cloud-hosted and managed services is inherently energy-intensive. As client workloads expand and data volumes grow, the energy demands on HTV2 and the broader digital infrastructure supporting HeiTech's service delivery are expected to increase. The Company manages this risk through:

- Continuous monitoring of Power Usage Effectiveness ("PUE") at HTV2
- Server virtualisation and consolidation to maximise compute efficiency per unit of energy consumed
- Procurement of energy-efficient hardware in line with green IT procurement principles

Transition Risk — Cloud Infrastructure Carbon Footprint

Malaysia's National Energy Transition Roadmap ("NETR") and evolving carbon pricing policy present a medium-term transition risk to HeiTech's operating cost base. As a significant electricity consumer — particularly at HTV2 Data Centre — the Company is exposed to the risk of escalating grid electricity tariffs driven by the progressive decarbonisation of Malaysia's energy sector under NETR and associated renewable energy investment requirements by Tenaga Nasional Berhad ("TNB"). Additionally, the introduction of carbon pricing mechanisms in Malaysia — under active policy assessment by the Ministry of Natural Resources and Environmental Sustainability — may affect HeiTech's cost of energy and potentially require the Company to account for an internal carbon cost in investment planning and operational decisions in the medium to long term. The Company is monitoring regulatory developments in carbon pricing and energy policy through its risk management and regulatory tracking process, and will incorporate quantified financial sensitivity analysis as part of the expanded climate scenario analysis programme targeted for FY2026. In the near term, the Company's renewable energy transition programme at HTV2 — including the existing solar PV installation and the target of sourcing 10% of electricity from renewable sources by FY2027 — provides a partial natural hedge against grid electricity cost escalation.

Dependency on Third-Party Cloud Providers

Where HeiTech's service delivery incorporates infrastructure from third-party hyperscale cloud providers, the Company acknowledges that the environmental performance of those providers forms part of the upstream Scope 3 emissions profile. The assessment and disclosure of upstream cloud-related Scope 3 emissions is planned as part of the expanded Scope 3 reporting programme targeted for FY2026–FY2027.

Digital Infrastructure Resilience and Climate Interdependency

The resilience of HeiTech's digital infrastructure is directly linked to climate-related physical risks, particularly the risk of power supply disruption, flooding, and extreme heat events affecting HTV2 as described in Section 8.8. The Company maintains dedicated Business Continuity Plans ("BCP") and Disaster Recovery Plans ("DRP") for its data centre operations, which are reviewed and assessed on a periodic basis. These plans are designed to ensure continuity of service to mission-critical government and enterprise clients under adverse operating conditions.

8.11 Data Centre Operational and Energy Efficiency Risks

HTV2 is HeiTech's primary data centre facility and represents the most significant concentration of the Company's environmental footprint in terms of energy consumption and associated Scope 2 GHG emissions. The operational and energy efficiency risks specific to HTV2 are disclosed below.

Power Usage Effectiveness ("PUE")

PUE is the primary metric used to assess the energy efficiency of data centre operations, expressed as the ratio of total facility energy consumption to IT equipment energy consumption. A PUE of 1.0 represents theoretical perfect efficiency; industry best practice for modern data centres is typically in the range of 1.2–1.5. HeiTech monitors PUE at HTV2 on an ongoing basis as a key operational efficiency indicator. The Company is committed to progressive PUE improvement through cooling system optimisation, airflow management, and infrastructure upgrades.

For FY2025, HTV2 recorded the following Power Usage Effectiveness ("PUE") performance by floor level, based on IT load and total facility energy consumption data from facilities management records:

Floor / Level	IT Load (kW)	Total Facility Load (kW)	PUE
Overall HTV2 (FY2025)	458.80	978.00	2.13

The overall FY2025 PUE of 2.13 reflects HTV2's current operational baseline. While above the industry benchmark range of 1.2–1.5 for modern data centres, this is consistent with the age and configuration of an established facility. HeiTech will target incremental PUE improvement through cooling infrastructure upgrades, airflow optimisation, and server virtualisation initiatives under the Sustainability Roadmap 2025–2050.

Energy Supply Concentration Risk

HTV2 currently relies on grid electricity supplied by Tenaga Nasional Berhad ("TNB") as its primary energy source, with on-site solar PV generation contributing an additional 194.86 MWh in FY2025. This concentration of energy supply from a single grid provider represents an operational risk in the event of grid instability, supply disruption, or significant tariff increases. The Company is actively developing its renewable energy strategy to reduce grid dependency over time, including assessing additional on-site renewable generation capacity and the feasibility of battery energy storage systems ("BESS") at HTV2, consistent with Phase I of the Sustainability Roadmap 2025–2050.

Cooling System Risk

Data centre cooling infrastructure represents a critical operational system at HTV2 and is a primary driver of energy consumption. Failure or degradation of cooling systems can result in thermal damage to equipment, unplanned downtime, and service disruption for clients. Rising ambient temperatures driven by climate change, as described in Section 8.8, compound this risk by increasing baseline cooling demand. The Company manages cooling system risk through:

- Preventive maintenance programmes and scheduled HVAC inspections
- Redundant cooling system configuration at HTV2
- Real-time temperature and humidity monitoring with automated alert thresholds
- Planned assessment of next-generation cooling technologies, including liquid cooling and free-cooling systems, as part of the FY2026 infrastructure review

Regulatory Risk — Data Centre Energy Standards

Domestically and internationally, regulatory attention on the energy consumption of data centres is intensifying. Malaysia's National Energy Transition Roadmap and emerging international standards for data centre energy efficiency may introduce mandatory efficiency benchmarks, reporting obligations, or procurement criteria that affect HTV2's operating requirements and capital expenditure planning. The Company monitors regulatory developments in this area through its Legal and Compliance function and the Sustainability Department, ensuring timely assessment of compliance obligations as they arise.

Stranded Asset Risk

If HTV2's infrastructure does not keep pace with evolving energy efficiency standards, there is a risk that elements of the facility's physical assets may become economically or technically stranded prior to the end of their useful life. The Company's capital expenditure planning process incorporates climate and energy transition considerations to mitigate this risk, and infrastructure upgrade decisions are evaluated against long-term efficiency and sustainability criteria.



SECTION 9: SOCIAL-RELATED RISKS AND OPPORTUNITIES

9.1 Overview

This section sets out social-related and opportunities that are material to HeiTech's operation and strategy. The social information in this section is prepared on the basis of the reporting boundary set out in Section 3 and reflects material social topics identified in Section 5 (Materiality Assessment). Methodologies, key assumptions and measurement uncertainties relating to the indicators in this section are explained in Section 4 (Judgements and Measurement Uncertainties).

HeiTech Padu Berhad recognises that its people are the foundation of its operational capability and long-term business resilience. As a technology and managed services company, the Company's ability to attract, develop, and retain skilled talent, maintain a safe and inclusive workplace, and contribute positively to the communities it serves are material determinants of sustained value creation.

This section presents HeiTech's social-related risks and opportunities across five principal dimensions: **Human Capital and Workforce Development, Diversity, Equity and Inclusion, Occupational Health and Safety, Cybersecurity and Data Privacy**, and **Corporate Social Responsibility and Community Impact**. Social risks are managed within HeiTech's enterprise-wide ERM Framework through the ieRisk platform, with oversight by the RSC at Board level.

9.2 Social Risk Management Approach

Social risks are identified, assessed, and monitored through HeiTech's ERM Framework, using the same **5x5 likelihood and severity matrix** applied to environmental and governance risks. The social risk identification process for FY2025 drew from:

- Internal HR management data and Group Human Capital performance reports
- Outputs of the FY2025 Materiality Assessment (Section 5), in which **Employee Development, Occupational Health and Safety, Diversity and Inclusion, and Community Engagement** were identified as material social topics
- Employee engagement feedback and internal surveys
- Regulatory requirements under the Employment Act 1955 (as amended), Occupational Safety and Health Act 1994 ("OSHA"), and Personal Data Protection Act 2010 ("PDPA")
- Benchmarking against industry peers and client ESG procurement expectations

Social risks are reviewed periodically by the Group Risk & Sustainability and escalated to the RSC where they are assessed as material to the Company's strategy, financial performance, or reputational standing.

9.3 Human Capital and Workforce Development

Workforce Profile

HeiTech's workforce expanded significantly in FY2025, reflecting the Company's business growth and expanding service delivery commitments.

The 25.8% increase in total headcount from FY2024 to FY2025 reflects the Company's growth trajectory and expanded project delivery portfolio. The Company acknowledges that rapid workforce growth presents integration and capability development challenges, which are actively managed through structured onboarding and training programmes.

Employee Turnover

The Company's employee voluntary turnover rate for FY2025 was not separately tracked in the current reporting cycle. The total attrition rate (voluntary and involuntary departures) is estimated at approximately 8–12% based on HR records reviewed during the preparation of this Statement, noting that the significant increase in headcount from 985 to 1239 employees reflects net hiring activity. The Company recognises the importance of formally tracking and disclosing disaggregated turnover rates — including voluntary, involuntary, and by employee category — and will implement structured turnover monitoring as part of its Human Capital Sustainability Roadmap from FY2026 onwards, consistent with IFRS S1 workforce-related disclosure requirements and Bursa Malaysia's enhanced sustainability reporting guidance.

Training and Development Performance

Total training hours increased by 38.9% from FY2024 to FY2025, and average training hours per employee increased from 8.37 to 9.2 hours, demonstrating continued investment in workforce capability development despite the significant increase in headcount. Training programmes encompass technical ICT skills, ESG and sustainability competencies, ethics and compliance, and leadership development.

Key Training Initiatives FY2025

- Ethics and Compliance Training — **238 employees** trained in FY2025 (FY2024: 180), representing a 32.2% increase in coverage
- ESG awareness and sustainability literacy programmes rolled out to all employees as part of the Company's commitment to achieving 100% ESG training coverage by FY2027
- Leadership and management development programmes to support the integration of the expanded workforce

Workforce Risk - Talent Attraction and Retention

The ICT sector in Malaysia faces intensifying competition for skilled technology professionals, particularly in cybersecurity, cloud computing, data analytics, and AI. HeiTech manages talent retention risk through competitive remuneration structures, structured career development pathways, a flexible working environment, and a purpose-driven organisational culture aligned with the Company's sustainability commitments. The establishment of a dedicated **Sustainability Department in January 2025** has further strengthened the Company's ESG employer brand, supporting talent attraction among ESG-conscious professionals.

9.4 Diversity, Equity and Inclusion

HeiTech is committed to fostering a diverse, equitable, and inclusive workplace that reflects the breadth of Malaysian society and the diverse communities the Company serves.

Gender Diversity

The Company maintained a broadly balanced gender split in FY2025, with female employees representing 38.6% of the total workforce. While the proportion of female employees decreased marginally from FY2024 levels, in absolute terms the number of female employees increased by 65.4%, consistent with overall workforce expansion. The Company is committed to maintaining and improving gender representation at all levels of the organisation, including in senior management and technical roles.

Inclusive Workplace Commitments

HeiTech's DEI commitments are embedded in its HR policies and Sustainability Roadmap 2025–2050, and include:

- Non-discrimination policies covering recruitment, remuneration, promotion, and workplace conduct
- Targeted development programmes for groups within the workforce
- Progressive build-out of a formal **Inclusive Workplace Charter**, planned for formalisation under Phase I of the Sustainability Roadmap

9.5 Occupational Health and Safety

HeiTech maintains a strong occupational health and safety ("OHS") performance record, underpinned by compliance with the Occupational Safety and Health Act 1994 and its associated regulations.

OHS Performance

HeiTech recorded **zero lost time injuries, zero workplace fatalities, and zero safety incidents** in FY2025, maintaining the strong OHS performance achieved in FY2024. This outcome reflects the effectiveness of the Company's workplace safety management systems, regular safety inspections, and employee safety awareness programmes across both principal facilities.

The Company's OHS framework encompasses:

- Periodic workplace safety inspections and risk assessments at Menara Insignia HQ and HTV2
- Emergency response and evacuation procedures maintained and assessed
- Employee health and wellbeing programmes, including mental health awareness initiatives
- Safety induction for all new employees as part of the onboarding process

As the Company's workforce continues to grow, maintaining zero-incident OHS performance remains a key priority. OHS risk assessments will be extended to cover Project and Service Delivery Sites as they are progressively incorporated into the reporting boundary from FY2026.

Further detail on social performance indicators is provided in Section 7 (Bursa Malaysia CSI Sustainability Reporting Platform).

9.6 Cybersecurity and Data Privacy Risks

As a provider of mission-critical ICT infrastructure and managed services to government ministries and enterprise clients, HeiTech is entrusted with highly sensitive data. Cybersecurity and data privacy are therefore assessed as **high-materiality social risks** with direct implications for client trust, regulatory compliance, and business continuity.

Cybersecurity Performance

HeiTech recorded zero cybersecurity incidents and zero data privacy breaches in FY2025, consistent with FY2024 performance. This reflects the effectiveness of the Company's cybersecurity governance framework, managed security operations capabilities, and employee awareness programmes.

Cybersecurity Risk Management

HeiTech's cybersecurity risk management approach encompasses:

- A dedicated Digital and Cybersecurity service line that manages both internal and client-facing security operations
- Alignment with internationally recognised cybersecurity frameworks and standards
- Regular penetration testing, vulnerability assessments, and security audits
- Incident response and business continuity protocols designed to minimise the impact of any security event
- Employee cybersecurity awareness training and phishing simulation programmes
- Compliance with the Personal Data Protection Act 2010 ("PDPA") and applicable client data security obligations

Emerging Cybersecurity Risk — AI and Digital Expansion

As HeiTech expands its digital and AI-enabled service offerings, the cybersecurity risk surface broadens. The Company's governance of AI-related risks is addressed in Section 10.9 (Artificial Intelligence Governance and Responsible Technology Use).

9.7 Corporate Social Responsibility and Community Impact

For FY2025, HeiTech's social agenda centres on two streams: structured employee engagement and targeted community/ CSR support, both with clear spend and reach.

Employee / Internal Engagement (FY2025)

Programme	Attendance	Budget (RM)
Leader's Session: Business Strategic Roadmap 2025	65	RM16,588.80
Leader's Session II	65	RM27,603.74
HeiTech Kick-Off 2025	500	RM96,770.00
Raya 1 HeiTech	1,000	RM48,800.00
HeiTech Hari Malaysia Sky Race 2025	270	RM20,000.00
Total (Q1-Q3)	1,900	RM209,762.54

Community / Society Engagement (FY2025)

Programme	Type	Attendance	Budget (RM)
Programme Kelab Golf JPJ	CSR Sponsorship	—	RM45,000.00
Tetuan Kelab Rekreasi Gong Kedak 2	CSR Sponsorship	—	RM1,000.00
Pertubuhan Prihatin Dan Kebajikan Ikatan Kasih	CSR Donation	—	RM5,000.00
HeiTech's 30th Annual General Meeting	Shareholder Event	210	RM44,188.50
Kelab Kebajikan Bahagian Teknologi Digital (Kelab KIT)	CSR Sponsorship	—	RM5,000.00
Lotuss's Ceria Charity Fun 2025	CSR Sponsorship	—	RM50,000.00
Total (Q1-Q3)		210	RM150,188.50

These initiatives will be further strengthened under Phase I of the Sustainability Roadmap 2025–2050, with the development of a **Social Impact Dashboard** to track and disclose community impact metrics from FY2026.

Further detail on social performance indicators is provided in Section 7 (Bursa Malaysia CSI Sustainability Reporting Platform).

9.8 Future Commitments and ESG Social Impact Roadmap

HeiTech's near-term social commitments for FY2026 and beyond are set out below, consistent with Phase I (2025–2030) of the Sustainability Roadmap 2025–2050:

Commitment	Target Timeline
Achieve 100% ESG and sustainability training coverage for all employees	FY2027
Formalise Inclusive Workplace Charter covering DEI commitments	FY2026
Develop and deploy Social Impact Dashboard for CSR programme tracking	FY2026
Extend OHS risk assessments to Project and Service Delivery Sites	FY2026
Maintain zero lost time injuries and zero workplace fatalities	Ongoing
Maintain zero cybersecurity incidents and zero data privacy breaches	Ongoing
Expand workforce diversity data disclosure including age profile and management-level breakdown	FY2026

SECTION 10: GOVERNANCE-RELATED RISKS AND OPPORTUNITIES

10.1 Overview

This section sets out governance-related risks and opportunities relevant to HeiTech's operations and strategy. The governance information in this section is prepared on the basis of the reporting boundary set out in Section 3. Methodologies, key assumptions and measurement uncertainties relating to the indicators in this section are explained in Section 4 (Judgements and Measurement Uncertainties).

Strong governance is the foundation upon which HeiTech Padu Berhad's sustainability strategy, risk management, and long-term value creation are built. As a Main Market listed company and a strategic national ICT partner to the Malaysian Government, HeiTech operates under heightened expectations of regulatory compliance, ethical conduct, and institutional accountability.

This section presents HeiTech's governance-related risks and opportunities across six principal dimensions: **Regulatory Compliance and ESG Governance, Board Oversight and Leadership Accountability, Cybersecurity and Digital Governance, Ethical Business Conduct and Anti-Corruption, Governance-linked Opportunities for Business Growth, and Artificial Intelligence Governance and Responsible Technology Use.** Governance risks are managed within HeiTech's enterprise-wide ERM Framework through the ieRisk platform, with ultimate oversight by the **RSC** at Board level.

Governance oversight of sustainability-related risks and opportunities, including the roles of the Board and the Risk and Sustainability Committee, is described in Section 6 (Sustainability Governance).

10.2 Governance Risk Management Approach

HeiTech's governance risk management is embedded within the Company's ERM Framework and operationalised through the ieRisk platform, using a **5x5 likelihood-and-severity matrix** consistent with the methodology applied across all risk categories. Governance risks are reviewed periodically by the Group Risk & Sustainability and escalated to the RSC, where they are assessed as material.

The governance risk identification process for FY2025 drew from:

- Internal compliance monitoring and legal register reviews
- Outputs of the FY2025 Materiality Assessment, in which **Data Privacy and Cybersecurity, Anti-Bribery and Corruption, Regulatory Compliance, and Ethical Business Practices** were identified as material governance topics
- Regulatory monitoring of Bursa Malaysia, Securities Commission Malaysia, Malaysian Anti-Corruption Commission ("MACC"), and relevant sector-specific regulators
- External developments in AI governance, data regulation, and ESG disclosure requirements

10.3 Regulatory Compliance and ESG Governance

HeiTech is subject to a broad range of regulatory obligations spanning corporate governance, financial reporting, data protection, employment, environmental management, and ESG disclosure. The Company's approach to regulatory compliance is proactive and risk-based, with compliance obligations tracked through the Legal and Compliance function and monitored at the enterprise level via ieRisk.

Regulatory Compliance Performance

Compliance Indicator	Unit	FY2024	FY2025
Significant Regulatory Breaches	Number	0	0
Monetary Fines or Sanctions	Number	0	0

HeiTech recorded **zero significant regulatory breaches and zero monetary fines or sanctions** in FY2025, consistent with FY2024 performance. This reflects the effectiveness of the Company's compliance management framework and its commitment to operating within all applicable legal and regulatory requirements.

ESG Regulatory Compliance

HeiTech has incorporated **IFRS S1, IFRS S2**, and the **National Sustainability Reporting Framework ("NSRF")** informed disclosure principles into its FY2025 Sustainability Statement ahead of the mandatory implementation timeline applicable to Main Market Group 2 issuers.

Compliance with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) is maintained across all prescribed ESG indicators submitted via the CSI Platform, as described in Section 7.

The governance arrangements summarised in this section operate within the Group's overall risk management and internal control framework, as described in Section 6 of this Statement and in the SORMIC.

10.4 Board Oversight and Leadership Accountability

Governance Structure for Sustainability

Governance oversight of sustainability-related risks and opportunities, including the roles of the Board and the Risk and Sustainability Committee, is described in Section 6 (Sustainability Governance)."

Board Accountability for Sustainability

The Board of Directors holds ultimate accountability for the accuracy, completeness, and integrity of this Sustainability Statement, as affirmed in Section 1.6. The RSC's mandate explicitly includes oversight of climate-related risks and ESG performance, ensuring that sustainability considerations are integrated into strategic decision-making at the highest level of the organisation.

The Company acknowledges, consistent with the disclosure in the FY2024 Corporate Governance Report, that the Board assessment framework is currently under review with a specific focus on ESG performance evaluation criteria. The dedicated **Sustainability Department**, established in January 2025, provides the institutional capacity to strengthen Board-level ESG oversight and management accountability on an ongoing basis.

Board Composition and Sustainability Competencies

As at 31 December 2025, the Board comprised nine (9) Directors, with a mix of executive, non-executive, and independent non-executive members. Detailed profiles of each Director, including their qualifications, experience, and relevant competencies, are published in HeiTech's FY2025 Annual Report (Corporate Governance Overview Statement).

ESG Performance Monitoring and Metrics

ESG-linked performance metrics are progressively being incorporated into management KPIs and departmental scorecards to reinforce accountability at all levels of the organisation. The Sustainability Roadmap 2025–2050 establishes clear targets and milestones against which Board and Management performance will be assessed. Further development of ESG-linked remuneration frameworks is planned under Phase I of the Roadmap.

10.5 Cybersecurity and Digital Governance

Cybersecurity governance is a Board-level concern at HeiTech, given the Company's role as a provider of mission-critical ICT infrastructure and managed security services to government and enterprise clients. The Company's cybersecurity governance framework is designed to protect both HeiTech's own systems and the sensitive data of its clients.

Cybersecurity Governance Performance

Indicator	Unit	FY2024	FY2025
Cybersecurity Incidents	Number	0	0
Data Privacy Breaches	Number	0	0

These cybersecurity indicators align with the governance metrics disclosed in Section 7. Zero cybersecurity incidents and zero data privacy breaches were recorded in FY2025. HeiTech's cybersecurity governance framework encompasses:

- Board-level visibility of cybersecurity risks through the RSC and enterprise risk register
- A dedicated Digital and Cybersecurity service line providing both internal governance and client-facing managed security operations
- Alignment with internationally recognised cybersecurity standards and frameworks
- Regular independent security assessments, penetration testing, and vulnerability management
- Compliance with the Personal Data Protection Act 2010 ("PDPA") and applicable client contractual security obligations
- Cybersecurity awareness training and phishing simulation programmes for all employees

As client digital environments grow in complexity and as HeiTech expands its cloud service offerings, the cybersecurity risk surface will continue to evolve. The Company's cybersecurity strategy is designed to be adaptive, with continuous investment in threat intelligence, detection capabilities, and incident response readiness.

10.6 Ethical Business Conduct and Anti-Corruption Measures

HeiTech maintains a zero-tolerance policy towards bribery, corruption, and unethical business conduct. The Company's anti-bribery and corruption ("ABC") framework is aligned with the Malaysian Anti-Corruption Commission Act 2009 (as amended) and the Corporate Liability Provision under Section 17A, which holds companies liable for corrupt acts committed by associated persons.

Anti-Corruption Performance

Indicator	Unit	FY2024	FY2025
Confirmed Corruption Incidents	Number	0	0
Employees Trained on Ethics and Compliance	Number	180	238

These anti-corruption indicators align with the governance metrics disclosed in Section 7.

FY2025 Corruption Incident

No confirmed corruption incidents was recorded in FY2025.

The Company's broader ABC framework includes:

- A formal **Anti-Bribery and Corruption Policy** aligned with Section 17A of the MACC Act 2009
- A **Whistleblowing Policy** providing confidential and protected reporting channels for employees and third parties
- Mandatory ethics and compliance training; **238 employees** trained in FY2025, representing a 32.2% increase in coverage from FY2024
- ABC compliance champions embedded within business units
- Periodic ABC risk assessments and internal audit reviews
- Due diligence processes for third-party vendors, business partners, and intermediaries

The Board, through the RSC and Audit Committee, maintains oversight of the Company's ABC framework and receives periodic reports on compliance performance and any incidents identified.

10.7 Governance-Linked Opportunities for Business Growth

HeiTech identifies the following material governance-linked opportunities:

Opportunity	Nature	Time Horizon
Government ICT Procurement: Strong governance credentials and IFRS S1/S2 adoption enhance positioning in procurement evaluations where ESG criteria are increasingly applied	Revenue retention and growth	Short-term (ongoing)
ESG-Linked Financing: Demonstrable governance maturity and externally assured sustainability disclosures support access to sustainability-linked loans	Reduced cost of capital	Medium-term
Bursa ESG Rating Improvement: Targeted improvement from 3-Star to 4-Star ESG Rating by FY2027 enhances investor confidence	Investor relations and valuation	Medium-term
Cybersecurity Services Growth: Strong internal cybersecurity governance record supports credibility in the managed security services market	Revenue growth	Short to medium-term

10.8 Future Governance Roadmap

HeiTech's near-term governance commitments for FY2026 and beyond are set out below, consistent with Phase I (2025–2030) of the Sustainability Roadmap 2025–2050:

Commitment	Target Timeline
Complete review and enhancement of Board assessment framework incorporating ESG evaluation criteria	FY2026
Formalise ESG-linked KPIs in senior management performance evaluations	FY2026
Develop and implement AI Governance Framework	FY2026
Strengthen Supplier Code of Conduct	FY2026
Achieve Bursa Malaysia 4-Star ESG Rating	FY2027
Maintain zero significant regulatory breaches and zero monetary fines	Ongoing
Maintain zero cybersecurity incidents and zero data privacy breaches	Ongoing
Sustain and strengthen ABC programme, targeting zero confirmed corruption incidents	Ongoing

10.9 Artificial Intelligence Governance and Responsible Technology Use

As HeiTech expands its use of artificial intelligence (“AI”) and advanced digital technologies, the governance of these technologies has emerged as a material ESG consideration. AI governance is identified as a new disclosure for FY2025, reflecting the growing regulatory, ethical, and reputational risks associated with AI adoption in the ICT sector.

AI Governance Risk Landscape

Risk	Description	Management Response
Data Privacy in AI Systems	AI applications processing personal or sensitive data must comply with PDPA and applicable client data security obligations	Privacy-by-design principles applied in AI solution development; PDPA compliance review conducted
Transparency and Explainability	Clients and regulators increasingly require AI systems to produce explainable and auditable outputs	Explainability requirements incorporated into AI solution design standards
Regulatory Compliance	Emerging AI governance regulations may impose new obligations on developers and operators of AI systems	Regulatory monitoring through Legal and Compliance function
Reputational Risk	Failures in AI governance carry significant reputational consequences for HeiTech and its clients	Board-level visibility of AI risks through RSC; AI Governance Framework development in progress

HeiTech’s Approach to Responsible AI

HeiTech is committed to responsible AI and digital technologies, grounded in the principles of **fairness, transparency, accountability, and privacy**. The Company is developing a formal **AI Governance Framework** to be implemented in FY2026, which will establish standards, oversight mechanisms, and accountability structures for all AI-enabled products and services delivered by HeiTech. This framework will be aligned with emerging national and international AI governance standards and will be subject to Board-level oversight through the RSC.

As Malaysia’s digital transformation agenda accelerates, HeiTech is positioned to play a leadership role in demonstrating that advanced technology can be deployed responsibly, ethically, and in a manner that supports rather than undermines social trust and public confidence in digital systems.

SECTION 11: EVENTS AFTER REPORTING PERIOD

11.1 Overview

This section discloses material events that occurred after the close of the FY2025 reporting period (31 December 2025) and up to the date of authorisation of this Statement for issue. These events are assessed for their potential impact on the sustainability disclosures presented in this Statement and on HeiTech Padu Berhad’s business strategy and Sustainability Roadmap.

Events disclosed in this section are limited to those that are assessed as material — that is, events that could reasonably be expected to influence the decisions of investors and other users of this Statement. Events that are routine in nature or that do not materially affect the sustainability position of the Company are not separately disclosed.

This section is prepared in accordance with the requirements of IFRS S1 relating to the disclosure of information about events after the reporting period that are relevant to users’ understanding of the Company’s sustainability-related risks and opportunities.

11.2 Key Events After the Reporting Period

11.2.1 Sustainability Governance and Organisational Developments

The **Sustainability Department**, formally established in January 2025, has continued to build its operational capability and institutional presence within the organisation in the period following the close of FY2025. The department’s mandate encompasses oversight of sustainability reporting, stakeholder engagement, ESG data governance, and coordination of the Sustainability Roadmap 2025–2050 implementation programme.

No material changes to the sustainability governance structure, committee composition, or ESG leadership appointments occurred in the period between 1 January 2026 and the date of Board authorisation of this Statement.

11.2.2 Regulatory and Reporting Framework Developments

HeiTech continues to monitor developments in sustainability reporting regulations applicable to Main Market issuers. Of note in the period following the FY2025 reporting date:

- **Bursa Malaysia Sustainability Reporting Requirements:** The Company is aware that mandatory IFRS S1/S2-aligned sustainability disclosure requirements are progressive for Main Market issuers. HeiTech’s FY2025 use of IFRS S1/S2-informed disclosure principles positions the Company ahead of the applicable mandatory implementation timeline. No material adverse regulatory developments affecting the Company’s compliance position have been identified in the period after the reporting date.
- **National Sustainability Reporting Framework (“NSRF”):** The Company continues to monitor Securities Commission Malaysia guidance on NSRF implementation and will incorporate any updated requirements into its FY2026 reporting cycle.

To the best of the Company’s knowledge and based on the information available as at the date of Board authorisation of this Statement, no regulatory announcements by Bursa Malaysia or the Securities Commission Malaysia have been identified following 31 December 2025 that would be reasonably expected to materially alter HeiTech’s sustainability disclosure obligations as outlined herein. The Company continues to monitor relevant regulatory developments and will update its disclosures as required.

11.2.3 Climate and Environmental Events

No material climate-related or environmental events affecting HeiTech's principal facilities have been identified in the period between the close of the FY2025 reporting period and the date of Board authorisation of this Statement.

11.2.4 ESG Data Management System Deployment

Consistent with the commitment disclosed in Section 8.7, HeiTech has commenced the deployment of its **ESG Data Management System** — a digital platform designed to automate ESG data collection, validation, and reporting across the Company's facilities and business units. This initiative, targeted for completion in FY2026, is expected to materially improve the timeliness, accuracy, and granularity of ESG performance data available for future reporting periods.

As at the date of Board authorisation of this Statement, the deployment of the ESG Data Management System is progressing in accordance with the Q2 FY2026 target timeline. Any material variance from the planned deployment schedule will be disclosed in the FY2026 Sustainability Statement.

11.2.5 External Assurance — FY2025 Sustainability Statement

RC Compliance Sdn. Bhd. ("RC Compliance") was engaged to provide independent external assurance over selected sustainability disclosures in this FY2025 Sustainability Statement. The assurance engagement was conducted in accordance with **AA1000 AS v3**. The assurance engagement has been completed, and the final INDEPENDENT ASSURANCE REPORT is presented in **Section 12**.

11.2.6 Sustainability Roadmap — Phase I Milestones

The following Phase I milestones from the Sustainability Roadmap 2025–2050 were either due for completion in Q1 FY2026 or are in progress at the time of this Statement's authorisation:

Milestone	Target	Status
ESG Data Management System go-live	FY2026	In Progress — On Track for Q1 FY2026
Climate scenario analysis refinement and financial quantification enhancement	FY2026	In progress - Further refinement targeted for FY2026
Regulatory Compliance Expansion of renewable energy contribution to 10% of total electricity	FY2026	In Progress — Ongoing Programme
Expansion of reporting boundary to include subsidiaries	FY2026	Planned — Boundary Expansion in Preparation for FY2026

11.3 Impact on Business Strategy and Sustainability Roadmap

The events and developments described in Section 11.2 are assessed as **consistent with and supportive of** HeiTech's Sustainability Roadmap 2025–2050 and do not represent a material change to the Company's sustainability strategy, risk profile, or long-term commitments as disclosed in this Statement.

The Company's commitment to achieving Net Zero GHG emissions by 2050, and its progressive alignment with IFRS S1/S2 and NSRF-informed sustainability reporting, and its phased programme for sustainability reporting boundary expansion and ESG data governance improvement remain unchanged following the close of the FY2025 reporting period.

Should any material post-reporting-date event require a revision to the disclosures presented in this Statement, such revisions will be made prior to the Board's authorisation of the Statement for issue and will be reflected in the final published version of the FY2025 Annual Report.



INDEPENDENT ASSURANCE OPINION STATEMENT

HeiTech Padu Berhad - Sustainability Statement 2025

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

RC Compliance Sdn. Bhd. ("RC Compliance") has been engaged by HeiTech to conduct a limited Type 1 Moderate Level assurance engagement on the sustainability information in the Sustainability Statement, specifically the Bursa Malaysia Centralised Sustainability Intelligence Platform (CSI Platform) performance data metric and targets of 2025 included in Section 7 of the Sustainability Statement of HeiTech ("Sustainability Statement"), which covers the reporting period 1 January 2025 to 31 December 2025. Our assurance engagement does not extend to information relating to earlier periods or to any other information included in the Sustainability Statement.

Scope and Subject Matter

The scope of engagement agreed with HeiTech includes the following:

- The **scope** and boundary of the assurance engagement covers part of the Sustainability Statement with a focus on Malaysia operations for the year ended 31 December 2025, specifically information related to the **subject matter**.

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

No	Common Sustainability Matters	Common Indicators
1	Anti-Corruption	(a) Percentage of employees who have received training on anti-corruption by employee category (b) Percentage of operations assessed for corruption-related risks (c) Confirmed incidents of corruption and actions taken
2	Community/Society	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer (b) Total number of beneficiaries of the investment in communities
3	Diversity	(a) Percentage of employees by gender and age group, for each employee category (b) Percentage of Directors by gender and age group
4	Energy management	(a) Total energy consumption
5	Health and Safety	(a) Number of work-related fatalities (b) Lost time incident rate (c) Number of employees trained in health and safety standards
6	Labour practices and standards	(a) Total hours of training by employee category (b) Percentage of employees that are contractors or temporary staff (c) Total number of employee turnover by employee category (d) Number of substantiated complaints concerning human rights violations
7	Supply chain management	(a) Proportion of spending on local supplier
8	Data privacy and security	(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
9	Water	(a) Total volume of water used
10	Emissions Management	(a) Scope 1 emissions in tonnes of CO ₂ e (b) Scope 2 emissions in tonnes of CO ₂ e (c) Scope 3 emissions in tonnes of CO ₂ e (for the categories of business travel and employee commuting; i.e. Category 6 and Category 7)

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



Criteria

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

Opinion Statement

We conclude that, nothing has come to our attention that the sustainability subject matter disclosed in the Sustainability Statement, specifically the performance data metrics and targets in the Bursa Malaysia CSI Platform in Section 7 of the Sustainability Statement, is not fairly presented, in all material respects, in accordance with the reporting criteria.

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

Methodology

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

Conclusions – AA1000 Principles

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

HeiTech's material sustainability matters are integrated into HeiTech's value creation strategies. We recommend that HeiTech should continue to explore opportunities to measure and evaluate sustainability impacts of its products and services in respect of stakeholders through the defined sustainability roadmap.



Assurance Level

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

Responsibility and Limitations

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

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

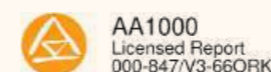
Independence and Competency

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

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

At RC Compliance, we have experienced and qualified assurance team members who undertake the assurance engagement in accordance with RC Compliance's established policies and procedures. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent. We have an issue resolution process in place and all records are managed in accordance with AA1000AS requirements and client procedures.

 <p>AA1000 Licensed Report 000-847/V3-66ORK</p>	
<p>Name</p>	<p>Reinushini Chandrasegaram</p>
<p>Designation</p>	<p>Managing Director</p>
<p>Date</p>	<p>18 April 2026</p>
<p>Place</p>	<p>Kuala Lumpur, Malaysia</p>



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

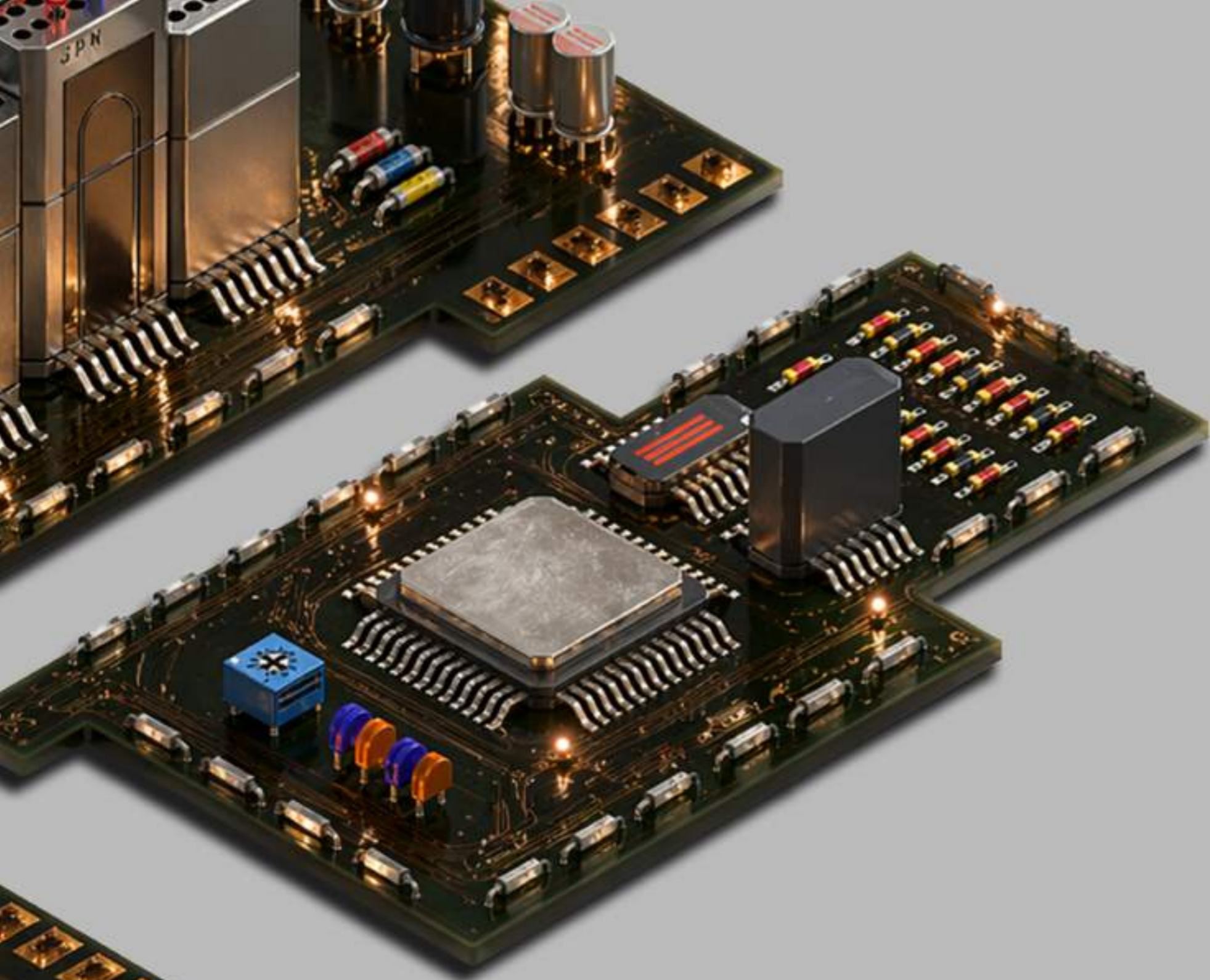
Suite 33-01, 33rd Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia

NSRF AND BURSA MALAYSIA COMPLIANCE INDEX

The table below provides a cross-reference index mapping the key disclosure requirements under the National Sustainability Reporting Framework ("NSRF"), IFRS S1, IFRS S2, and Bursa Malaysia's Sustainability Reporting Guide to the corresponding sections of this Sustainability Statement.

Disclosure Requirement	Standard / Reference	Section Reference
Basis of preparation and reporting framework	IFRS S1 Para 1-7; NSRF	Section 1
Reporting period and comparative data	IFRS S1 Para 64-72	Section 1.2
Group overview and value chain description	IFRS S1 Para 42-43	Section 2
Reporting boundary and organisational scope	IFRS S1 Para 37-40; GHG Protocol	Section 3
Judgements and measurement uncertainties	IFRS S1 Para 74-82	Section 4
Materiality assessment and material topics	IFRS S1 Para 56-62	Section 5
Governance structure and Board oversight	IFRS S1 Para 26-27; IFRS S2 Para 5-6	Section 6
Bursa Malaysia CSI Platform reporting	Bursa Main LR Appendix 9C; PN9A	Section 7
Environment-related risks and opportunities	IFRS S1; IFRS S2 Para 10-22	Section 8
Climate-related physical and transition risks	IFRS S2 Para 10-22	Section 8.8
Climate scenario analysis and strategy resilience	IFRS S2 Para 22	Section 4.6, 8.9
GHG emissions (Scope 1, 2, 3)	IFRS S2 Para 29; GHG Protocol	Section 8.3
Climate targets and Net Zero commitment	IFRS S2 Para 33-37	Section 6.7, 8.3
Social-related risks and opportunities	IFRS S1; Bursa SRG 3rd Ed	Section 9
Governance-related risks and opportunities	IFRS S1; Bursa SRG 3rd Ed	Section 10
Anti-bribery and corruption	MACC Act 2009 S.17A; Bursa SRG	Section 10.6
AI governance and responsible technology	Emerging regulatory guidance	Section 10.9
Events after reporting period	IFRS S1 Para 83-84	Section 11
External assurance	AA1000 AS v3	Section 12
Internal review and pre-assurance process	Best practice; NSRF guidance	Section 6
Bursa Malaysia ESG Rating target	Bursa Main LR	Section 6.7





CHAPTER

06

COMMITMENT TO STRONG GOVERNANCE

Adaptive Integration (2011-2022)

In a time of unprecedented disruption, HeiTech's responsibility only grew. Digitisation and digitalisation was the order of the period. Throughout the pandemic, the company maintained critical government IT services, supported frontline operations, and safeguarded essential digital systems. At the same time, it launched new solutions, renewed key contracts, and expanded regionally, proving that HeiTech not only endured but thrived.

PROFILE OF DIRECTORS

Nationality Gender
Malaysian Male

Age Date of Appointment
49 5th May 2025

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

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Qualifications

- Bachelor of Arts majoring in Business Management, Indiana University, USA
- International Business, American Intercontinental University in London, England (partly educated at Indiana University, USA)

Experiences

He began his entrepreneurial journey in 2004 with the establishment of KL HOP ON HOP OFF, a pioneering venture that set industry benchmarks for tourist transportation services in Malaysia. Following two years of planning and development between 2005 and 2006, the service was officially launched on 1 January 2007 and has remained in continuous operation to date.

Earlier in 2002, Toh Muda Dato' Rizal entered the motoring industry through a joint venture with a United Kingdom-based automotive company, which subsequently led to the incorporation of R3 Motoring Sdn. Bhd. Through this entity, he owned and operated a car showroom and dealership in Kuala Lumpur, which gained hands-on experience in automotive retail and operations.

In 2008, he set up Crossborder Scapes Sdn. Bhd. and ventured into the Oil and Gas industry. The company initially acquired two 34-metre fast crew boats, which were chartered to Petronas Carigali from 2008 to 2015 to support offshore oil exploration activities. Over time, Crossborder Scapes Sdn. Bhd. expanded its fleet to five vessels, further strengthening its operational capabilities in the sector.

Toh Muda Dato' Rizal is an accomplished motorsport enthusiast who has been involved in competitive racing since his mid-teens. He represented Malaysia as a national driver in several international racing championships, including the German Formula 3 Championship (2002), the British Formula 3 Championship (2003), the Porsche Infineon Carrera Cup Asia Championship (2004 and 2005), and the Lamborghini Supertrofeo Asia Championship (2012).

At present, Toh Muda Dato' Rizal also sits on the Board of Directors of XOX Berhad.

Nationality Gender
Malaysian Male

Age Date of Appointment
39 3rd April 2024

SANDRARUBEN A/L NEELAMAGHAM

EXECUTIVE DIRECTOR

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 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 14 October 2018.

He was the Managing Partner and headed the Corporate Department of Messrs. Ahmad Daniel, Ruben & Co., a legal practice he established in 2012, which has since grown into a mid-sized law firm in Malaysia. He currently serves as the Visiting Consultant at the firm. He is well-versed in a variety of legal practices, including Commercial Litigation, Corporate & Commercial Drafting, Trusts & Wills, Intellectual Property, and Construction Law.

He is also a Fellow of 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. In addition to his corporate advisory work for several publicly listed and international companies, he has appeared in all tiers of the Malaysia Courts, representing clients in various commercial and civil disputes, including tortious liabilities, shareholder disputes, and corporate restructuring proceedings.

Sandraruben also serves as a Director of 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., Inter-City MPC (M) Sdn. Bhd., Educational Trend Sdn. Bhd. and Tekkis Sdn. Bhd., the subsidiaries of HeiTech Padu Berhad.

PROFILE OF DIRECTORS

Nationality Gender
Malaysian Male

Age Date of Appointment
72 5th August 1994

DATO' SRI MOHD HILMEY BIN MOHD TAIB

FOUNDER / ADVISOR / NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Qualifications

- Bachelor of Economics (Hons) in Accounting, University of Malaya, Malaysia
- Master's 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

After completing his articleship with a public accounting firm in 1981, Dato' Sri Mohd Hilmei started his corporate career at Permodalan Nasional Berhad ("PNB"), a newly formed investment institution. In 1995, at 41, he was appointed as Group Chief Executive Officer of PNB. During his time there, he also served as director in several publicly listed companies such as Malayan Banking Berhad, Kuala Lumpur Kepong Berhad, KFC Holdings (M) Berhad, Maxis Communications Berhad, Pasdec Holdings Berhad, and private companies, including Perodua Sdn. Bhd. and Malaysia National Insurance.

As part of PNB's entrepreneurial initiatives, Dato' Sri Mohd Hilmei was tasked with developing PNBIT Sdn. Bhd. ("PNBIT"), PNB's IT arm, into a fully integrated technology company with the goal of listing publicly on Bursa Malaysia. In 1998, he led the management team in executing a management buy-out of PNBIT. By 2000, PNBIT was restructured and listed on the main market of Bursa Malaysia as HeiTech Padu Berhad ("HeiTech"). He served as Executive Chairman of HeiTech from January 1, 1998, to December 31, 2019.

Effective 1 January 2019, he was appointed as President and Executive Deputy Chairman of HeiTech Padu Berhad. He later stepped down as President on 1 October 2023, while continuing to serve as Executive Deputy Chairman. From 1 March 2025, he was redesignated as Non-Independent Non-Executive Director, Founder, and Advisor. He currently serves as Director of HeiTech Eco Energy Sdn. Bhd. and Motordata Research Consortium Sdn. Bhd. and several other companies within the HeiTech Group.

In addition to his corporate contributions, Dato' Sri Mohd Hilmei has played a key role in national development. He served as Chairman of the Board of Directors of Universiti Malaysia Pahang ("UMP") for eleven years, from 2006 to 2017. During his tenure, he was instrumental in transforming UMP from a university college into one of Malaysia's leading public universities with a strong focus on engineering and technology.

Nationality Gender
Malaysian Male

Age Date of Appointment
63 3rd April 2024

DATUK MOHD JIMMY WONG BIN ABDULLAH

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Integrity & Whistleblowing Board Committee
Member of Nomination & Remuneration Committee

Qualification

- Diploma in Business Studies, Jinan University, Guangzhou, China

Experiences

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

He began his career with the Royal Malaysian Police as a recruit. In 1994, he was stationed on a 2-year diplomatic mission at Wisma Putra in Guangzhou, China, until 1996. During his service with the Royal Malaysian Police, he was promoted several times and rose through the ranks before retiring in 2002.

In 2006, he joined Zetrix AI Berhad ("Zetrix AI"), formerly known as MY E.G. Services Berhad, as an Independent Non-Executive Director, and was redesignated as a Non-Independent Non-Executive Director in 2021. Currently, Datuk Mohd Jimmy Wong is a member of both the Risk Management Committee and the Nomination Committee of Zetrix AI Berhad.

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

PROFILE OF DIRECTORS

Nationality
Malaysian

Gender
Male

Age
63

Date of Appointment
12th March 2021

HAMZAH BIN MAHMOOD

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Employee Share Option Scheme ("ESOS") Committee
Member of Audit Committee
Member of Nomination & Remuneration Committee

Qualifications

- Bachelor of Science (Mathematics), Illinois State University, USA
- Master's 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 the HSBC Group in London.

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

Hamzah served as the Commissioner of PT Mitra Keluarga Karyasehat Tbk. from May 2016 to June 2018 and as an advisor from June 2018 to the 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. Currently, he is the Chairman of Audit Committee and a member of Remuneration Committee, Nomination Committee and Risk Management Committee.

Nationality
Malaysian

Gender
Male

Age
72

Date of Appointment
1st January 2022

RAZALEE BIN AMIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Integrity & Whistleblowing Board Committee
Member of Audit Committee
Member of Risk & Sustainability Committee

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 licensed auditor and an approved liquidator with more than 48 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 Group Financial Controller, and in 1987 was appointed as Senior Vice President of the Investment and Acquisition Division at MBF Finance Berhad. He subsequently served as Senior General Manager at Damansara Realty Berhad from 1994 to 1996, when he established his own Chartered Accountants firm, Razalee & Co., where he is currently the Managing Partner.

PROFILE OF DIRECTORS

Nationality Gender
Malaysian Male

Age Date of Appointment
63 1st January 2022

CHONG SEEP HON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Risk & Sustainability Committee
Member of Integrity & Whistleblowing Board Committee

Qualification

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

Experiences

Chong started his career as a Services Engineer at IBM in 1988. Throughout his career, he held various positions at IBM across technical, sales, and management. He also held senior leadership roles and contributed to strategic decisions for clients and the company.

Chong has thirty-four (34) years of experience in the IT industry and has vast experience in Artificial Intelligence ("AI") and Big Data. He is currently a Consultant for an AI & Big Data company in Malaysia, where he provides advisory and consultancy services on a need-to-know basis.

Nationality Gender
Malaysian Male

Age Date of Appointment
39 25th July 2025

MOHD EFFENDI BIN MAT ARIS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Audit Committee
Member of Risk & Sustainability Committee
Member of Employee Share Option Scheme ("ESOS") Committee

Qualifications

- Diploma in Accountancy, Kolej Poly-Tech Mara
- Bachelor's in Business Information Technology with Accounting, Coventry University, UK

Experiences

Mohd Effendi previously served as Deputy Head of the Intelligence Section in the Integrated Operations Division at the National Anti-Financial Crime Centre ("NFCC") of the Prime Minister's Department. In this role, he oversaw intelligence-led operations, led inter-agency enforcement initiatives, and oversaw strategic deployment under Malaysia's national Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT") framework.

His professional career spans a range of senior leadership roles, including serving as Chief Financial Officer at My Teakwood Holding Sdn. Bhd., Head of the Financial Forensic Unit at Dewan Pemiagaan Melayu Malaysia, Agency Director at Etiqa Takaful Berhad, Chief Executive Officer of NOVA Technology Services Berhad (formerly known as XOX Technology Berhad) and Regional Finance Analyst with the Jardines Group. Through these roles, he has accumulated extensive experience in financial management, strategic planning and operational leadership across public and private sectors.

In addition, Mohd Effendi has been actively engaged in public service and community advisory roles. He previously served as Treasurer of the Advisory Panel for Negeri Sembilan Government Health Clinics and had also held the position of District Councillor for Rembau, Negeri Sembilan.

PROFILE OF DIRECTORS

Nationality Malaysian
Gender Male

Age 57
Date of Appointment 15th August 2025

SHA'ARIN BIN MOHD RAZALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Nomination & Remuneration Committee
 Member of Employee Share Option Scheme ("ESOS") Committee

Qualifications

- Degree in Audio Engineering, School of Audio Engineering, Sydney, Australia
- Advance Certificate in Audio Engineering, Academy of Audio Engineers, Sydney, Australia

Experiences

Sha'arin is an award-winning entrepreneur and corporate leader with more than two decades of experience in business development, corporate growth, large-scale project execution, and multi-stakeholder management, particularly in the sports infrastructure, media, and broadcasting sectors. He possesses strong expertise in setting strategic direction, overseeing capital-intensive projects, managing vendor ecosystems and strengthening execution discipline in both founder-led and growth-stage organisations.

Bring a pragmatic, operator-driven approach to the boardroom, demonstrating strong capability in interrogating plans, rigorously evaluating budgets and project timelines and balancing risk against return. As a seasoned business leader, he consistently upholds independent judgment, integrity, and a stakeholder-centric approach in overseeing strategy formulation, capital expenditure governance, commercial contracts, stakeholder relations, and corporate communications.

Sha'arin currently serves as Executive Director and Co-Founder of Arena Legacy Sdn. Bhd., a position he has held since 2017 and as Executive Director of Blublack Productions Sdn. Bhd. since 2010. Through these roles, he continues to actively contribute to strategic leadership, project delivery, and organisational growth.

Nationality Malaysian
Gender Female

Age 31
Date of Appointment 8th December 2025

NATASHA IMAN BINTI ISKANDAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Qualifications

- Diploma in Mass Communication, UiTM Alor Gajah, Melaka, Malaysia
- Bachelor's Degree in Advertising, UiTM Shah Alam, Selangor, Malaysia

Experiences

Natasha Iman has extensive experience in marketing, branding and corporate communications, with professional exposure across the corporate and hospitality sectors. She most recently served as Marketing & Communications Manager at The St. Regis Kuala Lumpur, where she planned and oversaw brand-focused marketing and public relations strategies, managing media relations, content creation and development, and influencer engagement initiatives.

Prior to this, she was with MAA Group Berhad, where she progressed from Senior Marketing Executive to Assistant Marketing Manager. Throughout her tenure, she played a key role in driving comprehensive marketing initiatives, leading public relations and event execution, developing marketing and branding collateral, and strengthening brand visibility, while providing analytical support to management's strategic decision-making through systematic monitoring and evaluation of campaign performance.

Notes:-

- Save as disclosed, none of the Directors and/or major shareholders of the Company is related to each other nor has any family relationship with the substantial shareholders of the Company.
- Details of Directors' shareholdings in the Company can be found in the "Analysis of Shareholdings" section of this Annual Report.
- None of the Directors has been convicted of any offences within the past five (5) years other than possible traffic offences, if any.
- None of the Directors has any conflicts of interest, including any interest in any competing business with the Company or its subsidiaries.
- None of the Directors have any particulars of any public sanction of penalty imposed by the relevant regulatory bodies during the financial year.
- The attendance of the Directors at Board Meetings and Board Committees Meetings held during the financial year 2025 is disclosed in the "Corporate Governance Overview Statement" section of this Annual Report.



PROFILE OF SENIOR MANAGEMENT

SANDRARUBEN A/L NEELAMAGHAM

EXECUTIVE DIRECTOR

Nationality	Gender	Age
Malaysian	Male	39

Sandraruben's profile is contained in the "Profile of Directors" section as set out on page 121 of this Annual Report.

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

GROUP CHIEF FINANCIAL OFFICER

Nationality	Gender	Age
Malaysian	Male	50

Qualifications

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

Experiences

Ahmad Nasrul Hakim has over 20 years of experience in financial leadership and strategic management. He began his career with Deloitte Malaysia, where he was involved in a wide range of financial assurance, advisory and consulting assignments across the manufacturing, property and banking sectors.

He joined HeiTech in 2002 and has since held several senior leadership positions within the Group. In 2008, he was appointed Vice President of the Group Finance Services Division, before assuming the role of Chief Financial Officer in 2009. In 2016, he was appointed Group Chief Financial Officer, with responsibility for the Group's financial strategy, planning and corporate governance.

In addition to his executive responsibilities, he also serves on the boards of several companies within the HeiTech Group, contributing to the Group's strategic direction and overall performance.

SYED OMAR ALBAR BIN SYED ABDULLAH

GROUP CHIEF EXECUTIVE OFFICER

Nationality	Gender	Age
Malaysian	Male	38

Qualifications

- Diploma in Internet Computing, Multimedia University
- Master of Business Administration, University of Information Technology and Management, Rzeszów, Poland

Experiences

Syed Omar Albar brings more than 13 years of experience across a broad range of industries, including port and logistics, telecommunications, property development, renewable energy and government services. Throughout his career, he has built a strong track record in stakeholder management, branding and rebranding initiatives, media and public relations, event management, official visits and corporate social responsibility programmes.

He began his career in 2010 as Special Assistant to the Executive Director of Jalur Lebar Nasional Sdn. Bhd. In 2012, he joined Johor Port Berhad as Head of Corporate Communication. He later moved to Perbadanan Kemajuan Negeri Perak in 2015 as Manager, Port & Logistics, before joining its subsidiary, Perak Teamwork Sdn. Bhd., as Manager, Industrial Development & Promotion. He was subsequently promoted to General Manager in 2020.

In 2021, he was appointed Director of Perbadanan Kemajuan Negeri Perak, where he was entrusted with a number of key portfolios. He was later appointed Deputy Chief Executive in 2022 and served in that capacity until his resignation.

Syed Omar Albar was appointed Group Chief Executive Officer in May 2025.

Ts. ABDUL HALIM BIN MD. LASSIM

CHIEF OPERATING OFFICER

Nationality	Gender	Age
Malaysian	Male	53

Qualifications

- Bachelor of Arts (B.A) in Social Studies in Accountancy Studies, University of Exeter, United Kingdom
- Chartered Accountant, Member of Malaysian Institute of Accountants ("MIA")
- Certified Public Accountant, Member of Malaysian Institute of Certified Public Accountants ("MICPA")
- Professional Technologist (Ts.) by the Malaysia Board of Technologists ("MBOT"), effective September 2025

Experiences

Abdul Halim joined HeiTech in 2000 as Finance Manager, where he played a key role in supporting the company through its public flotation exercise. His financial acumen and leadership capabilities led to his appointment as Chief Financial Officer ("CFO") in 2002, where he steered the company's financial strategy and governance.

In 2008, he was appointed Chief Executive Officer of HeiTech Managed Services ("HMS"), focusing on delivering comprehensive ICT infrastructure solutions. Under his leadership, HMS strengthened its market presence and operational capabilities. Continuing his trajectory in leading strategic subsidiaries, Abdul Halim was appointed CEO of HeiTech i-Solutions ("HIS") in 2013, where he oversaw business development and solution delivery for the financial services industry.

His portfolio expanded further in 2018 with his appointment as CEO of PSG Data Sdn. Bhd., effectively making him the CEO across all Core 1 companies within the HeiTech group. This role consolidated his leadership across critical business segments, emphasising operational synergy and strategic alignment. Abdul Halim served as the Managing Director of Digital Healthcare Solutions Sdn. Bhd. in January 2024, driving innovation and digital transformation in the healthcare sector. He also contributed to the industry as an elected Councillor and Treasurer of Persatuan Industri Komputer dan Multimedia Malaysia ("PIKOM"), where he focused on public affairs, government relations, and digital infrastructure development.

Abdul Halim was appointed as Chief Operating Officer in March 2026.

PROFILE OF SENIOR MANAGEMENT

Ts. WAN ZAILANI BIN WAN ISMAIL

CHIEF INFRASTRUCTURE OFFICER

Nationality	Gender	Age
Malaysian	Male	60

Qualifications

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

Experiences

Ts. Wan Zailani brings over 30 years of experience in the Information and Communications Technology (ICT) industry. He began his career in 1989 with US-based WANG Computers as a Systems Analyst, where he gained early technical exposure in enterprise computing environments.

In February 1990, he joined Malayan Banking Berhad (Maybank), Malaysia's largest local bank, and served as Head of the Technical Services Unit. In this role, he was responsible for managing the Bank's mission-critical IBM System Z mainframe infrastructure and ensuring its high availability and reliability.

Ts. Wan Zailani joined HeiTech in 1999 and has since held a number of key strategic and operational roles within the Group. Over the years, he has served as Technical Consultant, Project Manager, Product Manager, Head of Product, Sales & Marketing, Head of Managed Operations, and Director of Enterprise Technology Services. His broad experience across technical, commercial and operational functions has enabled him to contribute significantly to the Group's growth and service delivery capabilities.

He was appointed Chief Infrastructure Officer in February 2025.

SAZMAN REDZA ABU BAKAR

CHIEF SYSTEMS OFFICER

Nationality	Gender	Age
Malaysian	Male	51

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, Malaysia

Experiences

Sazman has more than 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 in 1999 as an Analyst and quickly became involved in a number of high-value, complex projects spanning pre-sales, product development, consulting, and systems implementation.

Over the years, he has held a range of key positions within the Group, including Technical Consultant, Project Manager, Product Manager, and Head of Product, Solution and Technology. His leadership and technical depth later led to his appointment 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 Chief Systems Officer in February 2025.

SUM WAI KEEI, ALLAN

CHIEF RISK OFFICER

Nationality	Gender	Age
Singaporean	Male	49

Qualifications

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

Experiences

Allan offers more than 20 years 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 moved into the engineering and construction sector when he joined Bintai Kinden Corporation Berhad, where he held senior leadership roles. During his tenure, he was involved in both domestic and international operations, with responsibilities spanning commercial management, project execution and governance.

In 2015, he was appointed Group Chief Risk Officer, where he led the development of integrated risk management frameworks aligned with corporate objectives and regulatory requirements.

Since 2021, Allan has been active in the startup ecosystem, providing strategic and operational guidance to emerging businesses across various sectors. His forward-looking approach to risk and resilience continues to support the Group's efforts in creating sustainable value for stakeholders.

He was appointed Chief Risk Officer in April 2025.

CHU ZHI NING

GROUP FINANCE DIRECTOR

Nationality	Gender	Age
Malaysian	Female	37

Qualifications

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

Experiences

Zhi Ning has over 15 years of experience in corporate finance, having built her career across a range of industries and established organisations. She began her professional journey in 2011 at McMillan Woods Mea, where she served as Senior Auditor until 2014, developing a strong foundation in auditing and compliance. In 2014, she joined NOL Global Services Centre Sdn. Bhd. as a Senior Financial Analyst, where she was involved in financial planning and analysis. She later expanded her experience in financial reporting and corporate governance during her time as an Accountant at Eversendai Corporation Berhad from 2016 to 2019.

In 2019, she joined Zetrix AI Berhad as Group Accountant, where she led group-level financial consolidation and reporting for five years, and prior to joining HeiTech, she served as Group Accountant at Hachiman Technology Sdn. Bhd.

Zhi Ning was appointed Group Finance Director in December 2024.

PROFILE OF SENIOR MANAGEMENT

NORAZIMA BINTI HUSSAIN

GROUP CORPORATE PLANNING DIRECTOR

Nationality	Gender	Age
Malaysian	Female	55

Qualification

- Bachelor of Business Administration, Majoring in Finance, International Islamic University, Malaysia

Experiences

Norazima possesses over 20 years of experience in corporate planning, human resources and practice management. She began her career as a PNB Trainee Executive in 1995 and continued to build her experience during her time with the Managed Network & Communications Services Department from 1999 to 2008. Over the years, she has developed strong expertise in strategic planning and corporate support functions. As Group Director of Corporate Planning at HeiTech, she has played an important role in shaping the strategic direction of several divisions across the Group.

Norazima was appointed Group Corporate Planning Director in June 2025.

NASRUL HATA BIN MOHD ALI

GROUP BUSINESS DIRECTOR ("PUBLIC SECTOR")

Nationality	Gender	Age
Malaysian	Male	47

Qualifications

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

Experiences

Nasrul Hata offers more than 20 years of industry experience spanning enterprise ICT solutions, strategic business development, and large-scale public-sector digital transformation. He has played an important role in shaping HeiTech's position as a trusted technology partner to the Malaysian Government.

He currently oversees a significant public-sector portfolio, including major projects such as the NIISe Development Project and MyIMMs Maintenance, as well as engagements with federal agencies, including the Ministry of Domestic Trade and Cost of Living, the Ministry of Higher Education, and the Ministry of Education.

Through his leadership, HeiTech's offerings have remained closely aligned with national priorities in digital governance, public safety and secure citizen services, while further strengthening the Group's relationships with government stakeholders.

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

NYA'RIE BINTI AREPIN

GROUP HUMAN CAPITAL DIRECTOR

Nationality	Gender	Age
Malaysian	Female	46

Qualifications

- Master of Human Resource Management, Universiti Utara Malaysia
- Bachelor of Human Resource Management, Universiti Utara Malaysia

Experiences

Nya'rie joined HeiTech in October 2025 as Group Human Capital Director. In this role, she leads the Group's human capital strategy and oversees the development and implementation of people initiatives across HeiTech and its subsidiaries, supporting organisational growth, workforce capability and talent development.

She draws on over 20 years of experience in human capital management across the banking and insurance industries, with strong expertise in strategic HR business partnering, workforce planning, talent management and organisational development.

Prior to joining HeiTech, she served as HR Business Partner at Prudential BSN Takaful and Prudential Assurance Malaysia Berhad. In these roles, she worked closely with senior leadership to drive workforce planning initiatives, strengthen talent capabilities and support organisational transformation. She also provided strategic human capital advisory across performance management, compensation and benefits, and employee relations.

Drawing on her extensive experience, she plays an important role in aligning people strategies with the Group's business priorities and strengthening organisational capability across HeiTech and its subsidiaries.

SIVARAJAH A/L K. SUBRAMANIAM

GROUP BUSINESS DIRECTOR ("PRIVATE SECTOR")

Nationality	Gender	Age
Malaysian	Male	50

Qualifications

- Diploma in Electrical and Electronics at TAFE College, Northumbria University
- Bachelor of Business (Marketing), Universiti Putra Malaysia

Experiences

Sivarajah has over 18 years of experience in the Information and Communications Technology (ICT) industry, particularly in the private sector. He began his journey in 2008 as Head of Sales for the Open Market, where he demonstrated a strong ability to expand market reach, grow existing accounts and secure new customers across the GLC, financial services, corporate, government and education sectors.

His success in that role led to his promotion to Sales Director in 2017, where he further strengthened his strategic leadership capabilities. Under his leadership, the private sector division has continued to grow, supported by his understanding of market dynamics and ability to build strong client relationships. Known for his strategic mindset and collaborative approach, Sivarajah continues to play an important role in delivering value to customers and advancing HeiTech's growth in the private sector.

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

PROFILE OF SENIOR MANAGEMENT

HASNORLIZA BINTI MOHD JAEH GROUP GROWTH AND PARTNERSHIP DIRECTOR	Nationality	Gender	Age
	Malaysian	Female	44

Qualification

- Bachelor of Accounting (Hons), University of Malaya

Experiences

Hasnorliza brings over 20 years of experience across finance, business development and strategic stakeholder engagement. She has a strong track record in driving revenue growth, securing high-value government and GLC projects, and building long-term strategic partnerships with ministries, agencies and industry players. Her experience covers government procurement frameworks, project structuring, financial planning and end-to-end project delivery.

Prior to joining HeiTech, she held senior leadership positions, including Chief Marketing Officer and Chief Financial Officer, where she led business expansion initiatives, managed large-scale project financing and strengthened organisational performance through strategic planning and execution.

At HeiTech, she is responsible for leading the Group's growth strategy, partnership ecosystem and business development initiatives, thereby strengthening the Group's position as a provider of integrated solutions across both the public and private sectors.

Hasnorliza was appointed Group Growth and Partnership Director in December 2025.

AHMAD KAMAL BIN MOHD KASSIM HEAD OF INTERNAL AUDIT AND ASSURANCE	Nationality	Gender	Age
	Malaysian	Male	58

Qualifications

- Chartered Accountant, Member of the Malaysian Institute of Accountants ("MIA")
- Chartered Member, Institute of Internal Auditors Malaysia ("IIAM")
- Bachelor of Accountancy (Honours), Universiti Teknologi MARA
- Diploma In Accountancy, MARA Institute of Technology

Experiences

Ahmad Kamal draws on over 30 years of experience in internal and external auditing, business recovery and process improvement, quality management systems and ISO standards, compliance management, enterprise risk management and corporate governance assurance.

He began his career at Azman Wong Salleh & Co., where he gained broad experience in auditing, financial management, accounting and business recovery. He later served as an accountant at Trust International Insurance Berhad and Shapadu Development Sdn. Bhd. Prior to joining HeiTech, he held internal audit and risk management roles in several publicly listed companies, including Fujitsu Systems Business Malaysia Holdings Berhad, Edaran Digital Systems Berhad, Bumi Armada Berhad and Abrar Corporation Berhad.

Since 2007, he has been responsible for the Group's internal auditing, information technology audit, project surveillance audit, quality assurance and compliance, the development of organisational standard operating policies and procedures, and the implementation and maintenance of the HeiTech Quality Management System. He also played an important role in establishing and leading enterprise risk management during the Group's early adoption of ERM.

He has contributed to numerous management committees and currently serves as Alternate Chairman of the Management Review Meeting.

TAWFEK BIN MOKHTAR HEAD OF MAINTENANCE	Nationality	Gender	Age
	Malaysian	Male	58

Qualification

- Bachelor of Science (Electrical & Electronics), Tandon School, New York University

Experiences

Tawfek offers over 30 years of experience in the technology and defence industries, with a professional background in engineering, systems integration and executive leadership. He began his career as an electronics engineer and has since been involved in the development and implementation of a wide range of technology initiatives in aerospace, defence systems and digital infrastructure.

Throughout his career, he has worked with government agencies, industry partners, universities and international technology providers on projects aimed at strengthening technical capabilities and operational readiness. His experience reflects a strong blend of technical understanding, industry collaboration and long-standing involvement in Malaysia's technology and defence ecosystem.

SHHRIMAN BIN KAMARUZZAMAN HEAD OF PROCUREMENT	Nationality	Gender	Age
	Malaysian	Male	52

Qualifications

- Master of Business Administration, University of South Australia
- Bachelor of Business (Accounting), Monash University
- Certified Practising Accountant ("CPA Australia")
- Member of the Malaysian Institute of Accountants

Experiences

Shahriman is an experienced finance leader with broad exposure across the property, REIT management, oil and gas, utilities, engineering and environmental services sectors. He brings strong expertise in financial reporting, treasury management, corporate governance and strategic planning.

Throughout his career, he has contributed to strengthening financial governance, improving operational efficiency and supporting sustainable business growth through sound financial leadership.

Shahriman was appointed Head of Procurement in June 2025.

PROFILE OF SENIOR MANAGEMENT

IZANE BIN ISMAIL

HEAD OF GOVERNANCE AND INTEGRITY

Nationality	Gender	Age
Malaysian	Male	54

Qualifications

- Diploma in Accountancy, Institut Teknologi Mara
- Certified Integrity Officer ("CeIO")

Experiences

Izane has over 25 years of experience, primarily in internal auditing for publicly listed entities, with exposure across a range of industries including automotive, manufacturing, plantations, services and information technology.

He joined HeiTech in December 2009 as Internal Audit Manager. Over the years, he has held and led several roles within the Corporate Office, including Project Management & Compliance, Management Information Systems, Quality Management System, and Enterprise Risk Management. He has also served as a member of the Central Risk Review Committee.

He currently serves as Head of Governance and Integrity Department as well as Integrity Officer, a role he assumed in February 2020.

HELMY BIN ABU BAKAR

ACTING HEAD OF CENTRAL PMO

Nationality	Gender	Age
Malaysian	Male	54

Qualifications

- Master of Business Administration (Management), UNITAR International University
- Diploma in Planting Industry & Management, Institut Teknologi MARA

Experiences

Helmy is a results-driven leader with over 30 years of experience in the IT and services industry. He joined HeiTech in 2001 as an Account Manager and currently leads the Group's Strategic PMO function. He is recognised for his ability to build a strong, centralised project management office while bridging the gap between complex technical execution and business strategy.

His leadership is grounded in operational excellence, with the application of CMMI frameworks and PMI methodologies to strengthen governance and institutionalise standardised processes. He has also championed data-driven decision-making by leading the development of in-house tools and analytics dashboards that provide management with real-time visibility into financial performance and project health.

With academic grounding in management and professional exposure across project management, enterprise architecture, IT service management and data analytics, Helmy brings a balanced blend of technical knowledge and commercial understanding. His career progression, from managing large-scale sales functions to leading strategic IT initiatives, continues to support the Group's long-term growth agenda.

DR. MOHD AMIR BIN MAT OMAR

HEAD OF STRATEGIC COMMUNICATIONS

Nationality	Gender	Age
Malaysian	Male	45

Qualifications

- Bachelor of Communication (Hons.) in Persuasive Communication, Universiti Sains Malaysia
- Master of Arts (Communication), Universiti Sains Malaysia
- Doctor of Philosophy (Communications), Universiti Malaya

Experiences

Dr. Mohd Amir has over 20 years of experience in corporate communications, branding, and sustainability leadership. He oversees the Group's internal and external communications, strengthening corporate reputation, stakeholder engagement, and strategic positioning as a technology and digital infrastructure leader.

He has led key initiatives, including the development of the Group's sustainability roadmap, ESG implementation aligned with global frameworks, and corporate brand repositioning. His leadership has also supported improvements in HeiTech's ESG performance and strengthened stakeholder confidence through strategic communications and corporate reporting.

His professional background spans academia, creative media, and corporate leadership, bringing both analytical depth and practical insight to strategic communications and sustainability governance.



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 2025. This CG Overview Statement reaffirms HeiTech's pledge to maintain a high-level commitment to overseeing management affairs, as we remain committed to promote sound corporate governance practices and a culture of integrity and transparency throughout the Group. The Board upholds that good corporate governance is vital for charting the Group's strategic direction, guiding decision-making processes, and to continuously delivering sustainable long-term value for 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 2025 ("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	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1) Board Responsibilities

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

1. Chairman and Group Chief Executive Officer

There is a 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 that the objectivity of the Chairman and the Board is not impaired during deliberations on the recommendations of 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.

The Chairman of the Company is YM Toh Muda Dato' Rizal Ashram Bin Tun Dato' Seri Utama Ramli, while Encik Syed Omar Albar Bin Syed Abdullah had been appointed as the Group Chief Executive Officer on 26th May 2025 after the departure of Encik Hasrul Azuan Bin Mohd Yusof on 19th March 2025.

2. Roles and Responsibilities of the Board

The Board is committed to ensuring the Company's purpose, values and high standards set by the Chairman and all Non-Executive Directors, with the support of the management team, are 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 2025 are as follows: -

Director	Board of Directors Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Risk & Sustainability Committee Meeting	Integrity & Whistleblowing Board Committee Meeting
YM Toh Muda Dato' Rizal Ashram Bin Tun Dato' Seri Utama Ramli (Appointed w.e.f. 05.05.2025)	3/3	N/A	N/A	N/A	N/A
Dato' Sri Mohd Hilmey Bin Mohd Taib	8/8	N/A	N/A	N/A	N/A
Sandraruben A/L Neelamagham	8/8	N/A	N/A	N/A	N/A
Datuk Mohd Radzif Bin Mohd Yunus (Retired w.e.f. 25.06.2025)	5/5	N/A	N/A	N/A	N/A
Datuk Mohd Jimmy Wong Bin Abdullah	8/8	N/A	6/6	N/A	4/4
Sulaiman Hew Bin Abdullah (Resigned w.e.f. 30.07.2025)	5/5	N/A	4/4	3/3	N/A
Wan Ainol Zilan Binti Abdul Rahim (Resigned w.e.f. 06.08.2025)	5/5	8/12	N/A	N/A	N/A
Hamzah Bin Mahmood	8/8	12/12	2/2	N/A	N/A
Razalee Bin Amin	8/8	12/12	N/A	N/A	4/4
Chong Seep Hon	8/8	N/A	N/A	5/5	4/4
Mohd Effendi Bin Mat Aris (Appointed w.e.f. 25.07.2025)	3/3	4/4	N/A	2/2	N/A
Sha'arin Bin Mohd Razali (Appointed w.e.f. 15.08.2025)	3/3	N/A	1/6	N/A	N/A
Natasha Iman Binti Iskandar (Appointed w.e.f. 08.12.2025)	1/1	N/A	N/A	N/A	N/A

All Directors are provided the agenda prior to each Main Board and Board Committee meetings to ensure the Directors are accorded sufficient time to appraise the information. The Directors are also provided with the Board papers, which contain, among others, the Group's financial performance, management reports, proposals and various Board Committees' reports respectively 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 further clarification or raise comments on the minutes prior to the minutes being confirmed as a correct record of the Board's proceedings at the subsequent meeting. The signed minutes of each Board and Board Committee Meeting are properly kept by the Company Secretaries, who are entrusted with organising and attending all Board and Board Committee 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 and Sustainability Committee, Nomination and Remuneration Committee, Integrity & Whistleblowing Board Committee and Employee Share Option Scheme Committee, which 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 decisions and deliberations made by the respective Board Committees.

Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries who are members of relevant professional bodies. The appointment of Company Secretaries 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 Secretaries on all matters relating to the Group to assist them in the furtherance of their duties.

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

The Company Secretaries keep 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 to obtain the relevant information to facilitate the discharge of their duties. As and when required, Directors may seek advice from independent professional advisers at the Company's expense, enabling the Board and committee members to discharge their duties with adequate knowledge of the matter under deliberation.

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 means of demonstrating their commitment to professionalism and integrity.

Whistleblowing Policy

The Company has established its Whistleblowing Policy, with the objective of protecting 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 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 Group's commitment to 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 stay abreast of the latest developments in areas related to their duties and to equip them with the necessary skills and knowledge to meet the challenges faced by the Board.

Directors must 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 the Financial Year Ended 31st December 2025 are as follows:

Seminars/ Forum/ Conference/ Training

- Mandatory Accreditation Programme Part I
- Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")
- Mastering Greenhouse Gas ("GHG") Emissions Reporting
- MIA Webinar Series: MPERS: Practical Issues and Fair Value Measurements
- Suruhanjaya Syarikat Malaysia – Director Duty to Exercise Due Care, Skill and Diligence
- In-house Training: ESG Board Briefing & Climate Risk Assessment ("CRA")
- Emotional Intelligence Training
- Crisis and Risk Management Training

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 31st March 2026, the Board consists of ten (10) members:-

- One (1) Executive Director;
- Two (2) Non-Independent Non-Executive Directors; and
- Seven (7) Independent Non-Executive Directors.

All ten (10) Directors are known for their exceptional integrity and calibre, 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.

Nomination & Remuneration Committee ("NRC")

The NRC consists of a majority of Independent Non-Executive Directors. The members are as follows:

Members	Designation
Sha'arin Bin Mohammed Razali (Appointed as Chairman on 15.08.2025)	Chairman
Sulaiman Hew Bin Abdullah (Resigned on 30.07.2025)	Chairman
Hamzah Bin Mahmood (Appointed on 06.08.2025)	Member
Datuk Mohd Jimmy Wong Bin Abdullah	Member
Datuk Mohd Radzif Bin Mohd Yunus (Retired on 25.06.2025)	Member

NRC is entrusted to review and make recommendations to the Board in identifying suitable candidates for Directors, Executive Director ("ED"), 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 a candidate's competencies, commitment, contribution, and performance, and strictly adheres to the selection process, which emphasises the qualifications, backgrounds and capabilities of the candidates. NRC also considers and recommends to the Board the remuneration scheme for Directors, ED, 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 MCGG 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. Two Independent Non-Executive Directors, Sulaiman Hew Bin Abdullah and Wan Ainol Zilan Binti Abdul Rahim, resigned on 30th July 2025 and 6th August 2026, respectively, after serving as Independent Non-Executive Directors of the Company for twelve (12) years, in compliance with the MMLR.

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 appointed during the year be subject to re-election at the next AGM following his/her appointment.

At the forthcoming AGM, two (2) Directors, namely, Mr Sandraruben A/L Neelamagham and Datuk Mohd Jimmy Wong Bin Abdullah, will be retiring by rotation pursuant to Clause 82 of the Company's Constitution and, being eligible, offered themselves for re-election.

Also, three (3) Directors, namely, Encik Mohd Effendi Bin Mat Aris, Encik Sha'arin Bin Mohd Razali, and Cik Natasha Iman Binti Iskandar, will be retiring pursuant to Clause 85 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 MCGG 2021 to the establishment of the boardroom and workforce Gender Diversity Policy.

As of 31st March 2026, the Company has one (1) woman 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 to be a woman. The Board, through the NRC, will continue to consider gender diversity as part of its future selection for female board representation.

The evaluation of the suitability of candidates for a new Director role or for membership of the workforce is based on the candidates' competence, 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 any form of discrimination, whether based on age, gender, race, or 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)	Benefits in Kind (RM)	Total (RM)
Executive						
Dato' Sri Mohd Hilmey Bin Mohd Taib*	-	-	210,000.00	4,000.00	2,213.54	216,213.54
Sandaruben A/L Neelamagham	-	44,596.77	232,903.23	16,000.00	4,606.96	298,106.96

	Annual Fees (RM)	Special Allowances (RM)	Salary (RM)	Meeting Allowances (RM)	Benefits in Kind (RM)	Total (RM)
Non-Executive						
YM Toh Muda Dato' Rizal Ashram Bin Tun Dato' Seri Utama Ramli <i>(Appointed w.e.f. 05.05.2025)</i>	5,698.63	78,709.68	-	7,500.00	-	91,908.31
Dato' Sri Mohd Hilmey Bin Mohd Taib*	12,821.92	800,000.00	-	12,000.00	-	824,821.92
Datuk Mohd Radzif Bin Mohd Yunus <i>(Retired w.e.f. 25.06.2025)</i>	45,000.00	-	-	23,500.00	-	68,500.00
Datuk Mohd Jimmy Wong Bin Abdullah	40,000.00	-	-	36,000.00	-	76,000.00
Sulaiman Hew Bin Abdullah <i>(Resigned w.e.f. 30.07.2025)</i>	45,000.00	-	-	26,000.00	-	71,000.00
Wan Ainol Zilan Binti Abdul Rahim <i>(Resigned w.e.f. 06.08.2025)</i>	45,000.00	-	-	30,000.00	-	75,000.00
Hamzah Bin Mahmood	40,000.00	-	-	52,000.00	-	92,000.00
Razalee Bin Amin	45,000.00	-	-	50,000.00	-	95,000.00
Chong Seep Hon	45,000.00	-	-	36,500.00	-	81,500.00
Mohd Effendi Bin Mat Aris <i>(Appointed w.e.f. 25.07.2025)</i>	-	-	-	20,000.00	-	20,000.00
Sha'arin Bin Mohd Razali <i>(Appointed w.e.f. 15.08.2025)</i>	-	-	-	8,500.00	-	8,500.00
Natasha Iman Binti Iskandar <i>(Appointed w.e.f. 08.12.2025)</i>	-	-	-	2,000.00	-	2,000.00

*Dato' Sri Mohd Hilmey Bin Mohd Taib was redesignated to Non-Independent Non-Executive Director on 1st March 2025.

The remuneration of the senior management of the Group for the financial year 2025, inclusive of employer contributions to provident fund and benefits-in-kind is set out below:

Name	Remuneration in 2025
Syed Omar Albar Bin Syed Abdullah*	RM200,000 – RM400,000

*Appointed as Group Chief Executive Officer w.e.f. 26th May 2025.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Every company needs to consider in detail what audit and risk management arrangements 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 underpin 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 follows:-

Members	Designation
Mohd Effendi Bin Mat Aris <i>(Appointed as Chairman on 06.08.2025)</i>	Chairman
Wan Ainol Zilan Binti Abdul Rahim <i>(Resigned on 06.08.2025)</i>	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 MCCG.

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, and experience in accounting and finance and are 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 150 to 152 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 Management present to discuss matters privately. During the financial period under review, the AC met the external auditors twice without the presence of the Management.

In addition to statutory services, the external auditors 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 that the fees charged are within the allowable threshold.

The AC was satisfied with the quality of the audit, the performance, competence, and the 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.

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 150 to 152 of the Annual Report.

II) Risk & Sustainability Committee ("RSC")

The RSC assist the Board in maintaining a sound internal control system and ensures that risk mitigation measures are put in place.

The RSC consists exclusively of Independent Non-Executive Directors. The members of the RSC are as follows: -

Members	Designation
Chong Seep Hon (Redesignated as Chairman on 07.08.2025)	Chairman
Datuk Mohd Radzif Bin Mohd Yunus (Retired on 25.06.2025)	Chairman
Razalee Bin Amin (Appointed on 07.08.2025)	Member
Mohd Effendi Bin Mat Aris (Appointed on 07.08.2025)	Member
Sulaiman Hew Bin Abdullah (Resigned on 30.07.2025)	Member

RSC is assisted by the Risk Working Team ("RWC"), led by the Chief Risk Officer, in identifying, deliberating on, and monitoring the Group's strategic and operational risks. The members of RWC consist of the Management team from various units within the Group. The RWC implements the Risk Management Framework and Policy for the Group and reports to the RSC on a quarterly basis. The report is then escalated to the Board for further deliberation and subsequent action.

RSC also reviews and deliberates on 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 153 to 161 in this Annual Report.

Sustainability

The RSC also takes part in overseeing the Group's sustainability strategy and ESG matters. It is responsible for integrating sustainability considerations into business operations, monitoring key initiatives and performance, and coordinating sustainability reporting in line with applicable requirements. The RSC provides regular updates to the Board on sustainability matters to support effective oversight and informed decision-making.

The sustainability initiatives undertaken by the Company is set out in the Sustainability Statement on pages 62 to 116 in this Annual Report.

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

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:

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

Conduct of Annual General Meeting ("AGM")

The Company's Annual General Meeting serve as the principal forum 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 the 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.

All the Board members attended the 30th AGM held on 25th June 2025. Notice of the 30th AGM was issued more than 28 days prior to the Meeting date as recommended by MCGG 2021. 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 with Paragraph 8.27(3) of MMLR.

The 30th AGM was conducted physically, and the poll was conducted via an electronic voting system. The poll results were verified by the appointed scrutineers, and the Minutes of the 30th AGM were published on the Company's website within 30 days of the meeting.

Poll Voting

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

At the 30th 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 voting was conducted electronically, and the results were instantly displayed on the screen.

Investors Relations

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

- i) **Syazreen Yasmin Binti Suyamin** (Assistant Manager, Corporate Secretarial)
- Tel: 03 8601 3129 or cosec@heitech.com.my
- ii) **Rosman Mustafa Kamar** (for Investor Relations and Shareholders Communication)
- Tel: 03-8601 3129 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 Sanctions/ 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 2025.

iii) Material Contracts

Neither Group and/or its subsidiary companies had entered into any material contracts which involved Directors' and major shareholders' interests during the financial year ended 31st December 2025.

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 FY2025 is as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	515	345
Non-audit fees	8	8
Total	523	353

v) Profit Guarantee

There was no profit guarantee given by the Group during the financial year ended 31st December 2025.

vi) Share Buy Back

There was no share buyback exercise done during the financial year ended 31st December 2025.

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 MCGG 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 31st March 2026.



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 2025 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 twelve (12) times during the financial year ended 31 December 2025. The composition of the Committee and the details of their attendance are as follows:

Committee Members	Status of Directorship	No. of Meetings Attended
Wan Ainal Zilan Binti Abdul Rahim (Chairman of the Committee) (Resigned on 6 August 2025)	Independent Non-Executive Director	8 out of 12
Hamzah Bin Mahmood	Independent Non-Executive Director	12 out of 12
Razalee Bin Amin	Independent Non-Executive Director	12 out of 12
Mohd Effendi Bin Mat Aris (Chairman of the Committee) (Appointed on 6 August 2025)	Independent Non-Executive Director	4 out of 12

The Committee meetings were attended by the Key Management of HeiTech and the Vice President/Head of Internal Audit & Assurance. External Auditors have attended the meeting, upon invitation, to brief the Committee on matters pertaining to the 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

COMMITTEE'S WORK SUMMARY

During the financial year ended 31 December 2025, the Committee carried out the following tasks:

a. Financial Reporting

- Reviewed the quarterly financial results prior to recommending for consideration and approval by the Board of Directors;
- 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;
- 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
- Obtained assurance from the Group Chief Executive Officer and Group 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 2025.

b. Internal Audit

During the year, the Committee:

- Reviewed and approved the 2025 Annual Internal Audit Plan;
- Reviewed and deliberated the Internal Audit reports on significant issues and audit findings, audit recommendations, and Management responses and action plans;
- Discussed the action taken to improve the effectiveness of the internal control system in the audit areas;
- Monitored the implementation of audit recommendations to ensure that all key risks and control issues are being addressed;
- Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control, and Statement of Corporate Governance and recommended to the Board for approval prior to their inclusion in the Annual Report;
- 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
- Appraised the performance of the Vice President/Head of Internal Audit & Assurance and the measurements of the Internal Audit function.

The Chairman of the Committee held private sessions with the Vice President/Head of Internal 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 following:

- The External Auditors' 2025 terms of engagement, audit plan, nature, approach and scope of the audit;
- The audit fees and key audit staff assigned to the audit engagement;
- Issues arising from the External Auditors' identified Key Audit Matters ("KAM") and the audit procedures in addressing such KAM, Management's response and the External Auditors' evaluation of the Internal Control System;
- The significant accounting and auditing issues arising from the audit and any matters the External Auditors may wish to discuss; and
- The External Auditors' report on Directors' Statement on Risk Management and Internal Control ("SORMIC").

In 2025, the Committee held two (2) private sessions with External Auditors Messrs. AJAfree Salihin Kuzaimi PLT, in the absence of Management on 25th February 2025 (107th ACM) and 24th March 2025 (Special 2/2025 ACM).

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

d. Appointment of New External Auditors

The Committee evaluated, reviewed, and recommended to the Board of Directors the appointment of Messrs. SBY Partners PLT ("SBY") as the new External Auditors for approval.

e. Related Party Transactions and Conflict of Interest

- Reviewed and discussed reports on Related Party Transactions ("RPT"), Recurrent RPT ("RRPT") and potential 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;
- Monitored the threshold of the RPT and RRPT to ensure compliance with the Listing Requirements of BMSB; and
- The Committee also reviewed the COI disclosures for the financial year 2025 and noted that there is no COI or potential COI disclosure for the year.

f. Annual Reporting

The Committee reviewed and recommended to the Board of Directors for approval, the disclosures on the (i) Statement of Corporate Governance; (ii) Audit Committee Report; (iii) Statement on Risk Management and Internal Control; and (iv) Corporate Governance Report for the financial year ended 31st December 2025 for inclusion in the 2025 Annual Report to ensure that they were prepared in compliance with relevant regulatory requirements and guidelines.

STATE OF INTERNAL CONTROL

The Statement on Risk Management and Internal Control furnished on pages 153 to 161 of the annual report provides an overview of the state of internal controls within the Group.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

The Group, through the Committee, has established a 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 External Auditors' findings and to finalise 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 Internal 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 the assurance it requires regarding the adequacy, integrity and effectiveness of the internal control system.

AA is headed by the Vice President/Head of Internal 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 has more than 25 years of experience in internal and external auditing, business process improvement, quality management systems and ISO standards and certifications, enterprise risk management, and corporate governance assurance.

The Terms of Reference of the Internal Audit function are clearly spelt out in the Audit Charter, which 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 conducted across the Group to ensure consistent 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 2025 Annual Internal Audit Plan was presented to the Committee for approval. The Internal Audit function adopts risks-based approach following COSO (Committee of Sponsoring Organisations of The Treadway Commission) as the Control Framework for financial and operational activity, and COBIT (Control Objectives for Information and Related Technology) 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 staff as of 31 December 2025. The total operational cost of the Department for 2025 was RM830,614, comprising mainly of salaries, travel expenses, administrative costs and training.

The Internal Audit assignments conducted in 2025 include operational and management audits, IT security and infrastructure audits, and project management and compliance audits. 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 action.

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

- a. Prepared the 2024 Annual Internal Audit Performance Report for review by the Committee;
- b. Prepared the 2025 Annual Internal Audit Plan for the approval of the Committee;
- c. Implemented the approved 2025 Annual Internal Audit Plan;
- d. Assessed the adequacy and effectiveness of the internal control system within the Company and the Group;
- e. Examined and evaluated the adequacy, effectiveness and efficiency of financial and operational control within the Company and the Group;
- f. 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;
- g. Reviewed the "RPT" arising within the Company and the Group on a quarterly basis;
- h. Reviewed the COI disclosures for the financial year;
- 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 17 March 2026.



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") also 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. Risk management and internal control are regularly reviewed to ensure they remain relevant, effective, and applicable to changes in HeiTech's structure, processes, and dynamic business environment.

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

HeiTech's risk management and internal control do not apply to its associated companies and joint-controlled entities, which are under the control of their majority shareholders. HeiTech's interests are served through representation on the Boards 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.

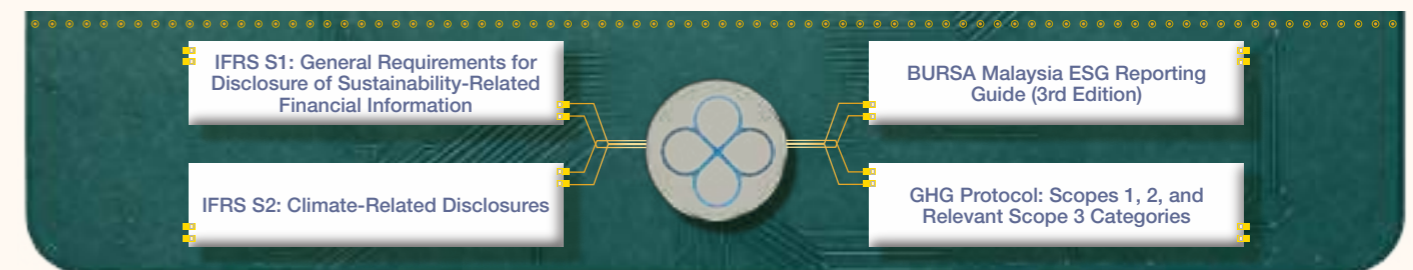
The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group and is satisfied with the adequacy and effectiveness of the Group's risk management and internal control for the year under review. The Board is also cognisant of its role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

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

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

Sustainability-related risks and opportunities are incorporated within the Group's Enterprise Risk Management ("ERM") framework and are considered as part of the overall system of risk management and internal control. These include, where relevant, climate-related risks, regulatory and compliance risks, operational resilience risks, cybersecurity risks, and governance-related risks that may materially impact the Group's financial performance or position.

HeiTech's long-term sustainability commitment is aligned with the following standards and frameworks:



RSC is assisted by the Sustainability Working Group ("SWG") 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 RSC and subsequently 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 of this Annual Report.

RISK MANAGEMENT

HeiTech's Enterprise Risk Management ("ERM") framework governs risk management activities across the Group. The framework is aligned with ISO 31000 principles and provides a structured approach to identifying, assessing, mitigating and monitoring risks that may impact the achievement of the Group's strategic and operational objectives.

Risk management is embedded into business processes through regular risk reviews, defined escalation channels and the use of key risk indicators. The framework also encompasses the evaluation of major investments, projects and corporate exercises to ensure risks are assessed prior to decision-making.

The ERM framework is reviewed periodically to address emerging risks and evolving regulatory and industry developments. Continuous enhancements are undertaken to strengthen mitigation tracking, governance oversight and alignment with corporate planning initiatives. Through disciplined implementation, the Group seeks to safeguard shareholders' interests and support sustainable business performance.

Governance Structure

Risk management implementation is supported by the following committees:

a) Risk & Sustainability Committee ("RSC")

The RSC, established by the Board, provides oversight on the effectiveness of the Group's ERM framework. It reviews significant risk exposures, monitors the effectiveness of mitigation measures, and ensures appropriate governance of risk management practices.

Committee Members	Designation
Datuk Mohd Radzif Bin Mohd Yunus	Chairman Resigned on 25 June 2025
Sulaiman Hew Bin Abdullah	Member Resigned on 30 July 2025
Chong Seep Hon	Member/Chairman Appointed as Chairman on 7 August 2025
Razalee Bin Amin	Member Appointed on 7 August 2025
Mohd Effendi Bin Mat Aris	Member Appointed on 7 August 2025

b) Risk Working Committee ("RWC")

RWC supports the RSC by facilitating the implementation of the ERM framework at the management level. The RWC reviews key risk profiles, monitors mitigation progress, deliberates on strategic and emerging risks, and escalates significant matters to the RSC quarterly.

The RWC's duties and responsibilities include the following:

- Facilitate the implementation of the ERM framework, policies and procedures across the Group;
- Review and deliberate key risk registers, including strategic, financial, operational and compliance risks;
- Identify and assess emerging and cross-functional risks that may impact business performance and sustainability;
- Monitor the progress and effectiveness of mitigation plans and key risk indicators (KRIs);
- Ensure timely escalation of significant risk exposures to the RSC;
- Review risk assessments relating to major investments, projects and corporate initiatives; and
- Promote risk awareness and accountability among Risk Owners and Management.

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 that sound governance requires effective interaction among the Board, the Management and the auditors. The Board reviews and deliberates on 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, which are administered by defined terms of reference:



ii) Management Meeting

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

Type of Management Meetings	Frequency
Management Committee meetings ("MCM") Set the strategic direction of the Group and review the Group's performance and challenges.	When needed
Central Review Committee meetings ("CRC") 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
Management Review meetings ("MRM") 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 ("PCM") Deliberate and approve the procurement and acquisition process.	Periodically
Risk Working Committee meetings ("RWC") The Risk Working Committee reviews and deliberates key risks, mitigation plans and the Group's overall risk profile, and escalates significant risk matters and recommendations to the RSC for further consideration.	When needed
Project Steering Committee meetings ("PSC") Provide governance, oversight, and strategic guidance for HeiTech's strategic projects, focusing on the project's direction, scope, budget, timeline, and methods and to ensure that the project aligns with organisational objectives and that resources are allocated efficiently.	When needed
Management Integrity Committee meetings ("MIC") Oversee the anti-corruption program and the implementation of integrity and ethics initiatives in the Group. Review and deliberate complaints or matters escalated via whistleblowing channels.	Quarterly

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 are subjected to internal quality audits, SIRIM's annual surveillance audits, and recertification audits.

ii) Certification and Standards

HeiTech is dedicated to progressively improving its processes and is 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")	<p>HeiTech has achieved and conformed to QMS certification since 1997. The scope of the certification covers:</p> <ul style="list-style-type: none"> Provision of Corporate Services to the Business Groups / Operating Divisions / Companies of HeiTech Padu Berhad. Site: (HeiTech Padu Berhad Subang Jaya); Provision of Project Delivery for Application Development & Maintenance Services of HeiTech Padu Berhad. Site: (Prima Avenue 10); and Provision of Project Delivery for Managed Infrastructure Network Services (WAN and LAN) of HeiTech Padu Berhad. Site: (Etiqa Twin Tower).
(2) ISO 37001:2016 Anti-Bribery Management System ("ABMS")	<p>Achieved and conformed to ABMS certification since 2020. The scope of certification covers:</p> <ul style="list-style-type: none"> Provision of Sales Acquisition; and Provision for Support Services (Finance, Procurement, Legal, Human Resource, Corporate Communication, Project Monitoring & Compliance and Organisational Practices).
(3) ISO 27001:2013 Information Security Management System ("ISMS")	<p>Achieved and conformed to ISMS certification since 2006. The scope of certification covers:</p> <ul style="list-style-type: none"> Padu*Net Nodes Infrastructure; Business Recovery Management Services; Internet Data Centre Services; Customer Care Centre; Cloud Services; and Security Operation Centre ("SOC")
(4) ISO 22301:2019 Business Continuity Management System ("BCMS")	<p>Achieved and conformed to BCMS certification since 2018. The scope of certification covers:</p> <p>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"), Managed Network Services, Local Area Network and Security Services ("LANSec"), Internet Data Centre Services ("IDCS"), Infrastructure Management Services and Call Centre Operation Services ("CCO"); and others supporting functions at HeiTech Village 2 ("HTV2").</p>
(5) Test Maturity Model Integration ("TMMi")	<p>HeiTech embarked on a Software Test Process Improvement initiative by adopting the TMMi framework in 2017, achieving TMMi Level 3 accreditation in the same year, and successfully recertified at the same level in 2020 and 2023.</p> <p>TMMi is a framework designed to help organisations assess and improve the maturity of their software testing processes. Its implementation enables HeiTech to establish a comprehensive roadmap for systematically enhancing testing capabilities, leading to higher-quality software.</p> <p>TMMi also focuses on defect prevention as well as defect detection, enabling the organisation to identify and fix software errors early in the development life cycle. This proactive approach reduces development time and costs while improving time-to-market.</p> <p>The adoption of TMMi enables HeiTech to establish a structured testing approach, with benefits including:</p> <ul style="list-style-type: none"> Improved software product quality; Improved test efficiency; Increased employee productivity and efficiency; and Reduced risks in project management and product failure.

(6) Capability Maturity Model Integration ("CMMI@")	<p>The CMMI@ for development framework is a proven, integrated set of global best practices that provides a structured, holistic approach, enabling HeiTech to focus on improving performance in application development. CMMI@ process compliance assessments are conducted every month to evaluate adherence levels and identify necessary action(s) for improvement.</p> <p>Implementing this disciplined process across the organisation enhances control over project execution, maintains quality standards, and supports adherence to project timelines. The CMMI@ for Development model assists HeiTech in establishing and standardising efficient and effective processes. A well-defined and consistently implemented process enhances the ability to meet business and project objectives while improving performance, quality, and profitability.</p> <p>The key benefits associated with the CMMI@ for Development model include:</p> <ul style="list-style-type: none"> Increased Quality; Improved Product Lifecycle Management, ensuring customer expectations are met; 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. <p>A well-established CMMI@ program also catalyses business growth. HeiTech has successfully maintained its CMMI@ accreditation since 2006 and is currently appraised at CMMI@ for Development v3.0 Maturity Level 3 by the CMMI@ Institute. HeiTech remains among the organisations in Malaysia that have achieved and sustained CMMI@ Maturity Level 3 accreditation.</p>
(7) Payment Card Industry Data Security Standard ("PCI DSS")	<p>HeiTech has maintained PCI DSS certification since January 2018. The PCI DSS is a proprietary information security standard for organisations that handle credit card data from major card schemes, including Visa and MasterCard. The PCI DSS provides a baseline of technical and operational requirements for organisations that handle credit cards. The scope of this certification covers:</p> <ul style="list-style-type: none"> Physical Security for Hosting & Co-Location, which focuses on Requirement 9 (Implement Strong Access Control Measures); and Requirement 12 (Maintain Information Security Policy). <p>An annual surveillance audit will be conducted by ControlCase LLC, the Qualified Security Assessor Company based in India.</p>
(8) Threat Vulnerability Risk Assessment ("TVRA")	<p>A TVRA is the first step towards creating an effective facility security program. A well-completed TVRA provides a solid, defensible 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 program that anticipates, prevents, prepares for, responds to, and recovers from any adverse incident.</p> <p>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.</p>
(9) Network Resiliency and Risk Assessment ("NRA")	<p>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, resilience can also refer to preventing logical failures and damage, as well as surviving cyberattacks. The NRA was carried out with a focus on 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 compliance with Bank Negara Malaysia's NRA requirements. HeiTech is in full compliance with all clauses regarding NRA as stipulated in the Risk Management in Technology ("RMiT") guidelines 2020.</p>
(10) Telecommunications Infrastructure Standard	<p>Data Centre in HeiTech Village 2 is certified with ANSI/TIA- 942-B:2017 Rated 3. It is in accordance with the Telecommunications Infrastructure Standard ("TIA 942") for Data Centres, on the following scopes:</p> <ul style="list-style-type: none"> Architecture; Mechanical; Electrical; and Telecom. <p>An annual surveillance audit will be conducted by EPI Certification Pte. Ltd., an Accredited Certification Body Company based in Singapore.</p>

iii) Defined Business Process and Improvement

Defined business processes are established to enhance organisational performance, strengthen key capabilities, and optimise critical operations, while managing risks that may impact the achievement of business objectives.

HeiTech has developed the following structured processes, based on globally recognised frameworks, to drive continuous 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 continued alignment with evolving technologies and industry practices. The defined business processes are accessible to staff through the organisation's knowledge portal.

iv) Limits of Authority

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

v) Anti-Bribery and Corruption Policy

HeiTech's Anti-Bribery and Corruption Policy ("ABCP") represents the company's steadfast commitment to strong governance, integrity, transparency, and ethical conduct across all operations and business activities. Together with its supporting procedures, this policy outlines the key principles, controls, preventive measures, disclosure requirements, and best practices that guide the organisation in identifying, managing, and addressing potential bribery and corruption risks.

HeiTech upholds a strict zero-tolerance stance against all forms of bribery and corruption. We are committed to conducting our business dealings and partnerships with professionalism, fairness, and unwavering integrity. This commitment was further reinforced in 2020 through our certification under the ISO 37001:2016 Anti-Bribery Management System ("ABMS"). As an additional pledge of integrity, all employees sign a declaration affirming their obligation to uphold HeiTech's ethical values and comply with the ABCP and the company's Code of Business Conduct.

To ensure broad awareness and understanding, the ABCP is shared with employees and external stakeholders through the Employee Integrity Handbook and the Integrity Kit for Business Associates. More information and related documentation are accessible on HeiTech's website at www.heitech.com.my/about/antibribery.

vi) Whistleblowing Policy and Guidelines

HeiTech's Whistleblowing Policy and Guidelines ("WBP") promote transparency, integrity, impartiality, and accountability across all HeiTech business operations. The policy applies to all employees, business associates, and stakeholders.

The objectives of the WBP are to:-

- Govern Reporting: Provide a clear process for reporting potential violations of laws, regulations, or ethical standards, including misconduct, illegal activities, embezzlement, or fraud;
- Response Management: Establish a structured and timely mechanism for reviewing and resolving reported concerns;
- Protect Whistleblowers: Prohibit any form of retaliation against individuals who report concerns in good faith; and
- Ensure Record Keeping: Define procedures for retaining and managing whistleblowing records and reports.

Reporting Channels:-

- Internal Reporting: Employees may report concerns through the DVOC 2.0 mobile application, which ensures confidentiality and anonymity; and
- External Reporting: Stakeholders and business associates may submit reports via the HeiTech corporate website at www.heitech.com.my.

Reports may be submitted anonymously. HeiTech is committed to safeguarding the confidentiality of all reports and protecting whistleblowers from retaliation.

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

This second 3-Year Plan reaffirms HeiTech's commitment to strengthening its anti-bribery and integrity framework through the implementation of Adequate Procedures guided by the T.R.U.S.T Principles. By enhancing governance structures, strengthening internal controls, and embedding integrity values across all levels of the organisation, HeiTech aims to safeguard itself against potential corporate liability under Section 17A of the MACC Act 2009 (Act 694).

This plan sets a clear, structured pathway to sustain an ethical culture, ensure responsible conduct, and reinforce stakeholder confidence as we continue our journey towards excellence in governance, integrity, and compliance.

viii) Anti-Money Laundering Procedure

HeiTech's Anti-Money Laundering ("AML") Procedure establishes the company's internal governance framework. It reinforces its commitment to complying with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUA"). It sets out the measures to prevent, detect, and report money laundering, terrorism financing, and other financial crimes in line with Malaysian regulatory requirements.

ix) Corporate Integrity System Malaysia ("CISM")

HeiTech affirms its commitment to integrity and ethical governance by implementing the CISM through comprehensive self-assessment and self-monitoring, demonstrating the Company's proactive stance against corruption. HeiTech has formally enrolled its CISM efforts under the Malaysian Institute of Integrity (Institut Integriti Malaysia – IIM), ensuring alignment with nationally recognised integrity standards. The Company successfully completed the program and was awarded the Certificate of Participation on 1st November 2025, underscoring its dedication to maintaining a transparent, accountable, and corruption-free organisational culture.

c) Information and Communication

HeiTech adopts a structured, multi-channel approach to communication to ensure that material information is disseminated in a timely, accurate, and targeted manner to the appropriate stakeholders.

Internally, key communication platforms include corporate email circulars, internal bulletins, approved social media platforms, and scheduled town hall sessions, which collectively facilitate transparent engagement and alignment across the Organisation.

Externally, the organisation communicates with stakeholders through its corporate website, Annual Report, Investor Relations portal and official social media channels, ensuring consistent, accessible and transparent disclosure of relevant information.

The Strategic Communications Policy and Guidelines establishes the overarching framework governing information dissemination. It sets out the principles, protocols and responsibilities to ensure that all communications are properly authorised, controlled and aligned with the organisation's strategic objectives and stakeholder expectations.

d) Monitoring

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

i) Internal Audit

The internal audit function in HeiTech is carried out by the Internal Audit & Assurance Department ("AA"), with the objective of bringing a systematic and disciplined approach to 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 Terms of Reference, approved by the Audit Committee. AA provides an independent assessment of HeiTech's internal control system and conducts ad hoc audit reviews 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.

ii) Corporate Planning

The Group Corporate Planning Department at HeiTech is responsible for consolidating the business plans of all companies within the Group. The Department gathers and integrates individual business plans while overseeing each entity's strategic priorities, financial projections, and operational initiatives. The consolidated plan is subsequently presented to HeiTech's Board of Directors for deliberation and approval.

In addition, the Department conducts quarterly reviews to monitor and assess each company's performance against its approved business plan using KPI-based evaluations. This process ensures that performance targets are achieved and that all operations remain aligned with HeiTech's vision of being a trusted technology partner that empowers customers to achieve their goals.

iii) Central PMO

Central PMO 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. The Central PMO oversees all tasks and activities and ensures they are implemented as planned. This is done through the mandatory monthly Project Health Meeting ("PHM") and the Monthly Project Report ("MPR") submitted by the project PMO. The outcome of the meeting and report are then summarised in the Executive Management Report and shared with the Project Steering Committee ("PSC") members for any action to be taken (when necessary).

Additionally, the Central PMO monitors the projects' Process Compliance Report ("PCR") to ensure completeness and conformity with HeiTech's defined processes and CMMI. The report is shared with the project for further corrective action and process improvement.

iv) Practice Management and Consulting ("PracMaC")

PracMaC conducts periodic internal quality audits covering all International Organisation for Standardisation ("ISO") certifications and other de facto standards adhered to by HeiTech.

v) Information Technology Management ("IT-M")

IT-M is responsible to ensure HeiTech's IT policies remain relevant, continuously updated and consistently enforced throughout HeiTech. IT-M 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.

vi) Legal and Regulatory Compliance

Guided by HeiTech's core values and Code of Business Conduct, the Legal Department is firmly committed to ensuring that compliance remains a fundamental pillar of the Management and an integral component of HeiTech's corporate culture and business operations. HeiTech is dedicated to conducting its business ethically and responsibly, in full compliance with all applicable laws and regulations, to effectively manage legal compliance by embedding and integrating assurance and reporting throughout the organisation. HeiTech strives to achieve sustainable business performance, whilst upholding the highest standards of ethical conduct and integrity. The tone of regulatory compliance is clear and consistently reiterated from the top of the organisation.

The Legal Department has established internal policies, processes and procedures governing contract formation, review, and approval, as well as mechanisms for monitoring contractual obligations and performance. These measures are designed to identify, mitigate, and minimise legal and contractual risks that may impact HeiTech's business operations. HeiTech recognises the critical importance of safeguarding and securing shareholders' and customers' personal data. HeiTech has implemented appropriate measures and controls to ensure compliance with the Personal Data Protection Act 2010 ("PDPA 2010"), including policies and procedures for the handling of personal data.

vii) Human Capital Development and Training

HeiTech's human capital development initiatives are governed by the Competency Development Policy and Procedure, which provides a structured framework for identifying, assessing, and addressing competency gaps across the Group. The process begins with a Training Needs Analysis ("TNA"), conducted through performance appraisal exercises, Competency Assessment and Development ("CAD"), and input from supervisors and Heads of Department.

Based on the identified competency gaps, Human Resources develops a structured Competency Development Plan covering a twelve (12) month period. The plan incorporates technical, functional, soft skills, leadership, and structured development programs aligned with business objectives and individual career pathways. The approved plan is communicated to employees and monitored throughout the year.

Training programs are delivered through various methodologies, including classroom training, workshops, on-the-job training, certifications, coaching, and knowledge-sharing sessions. Where applicable, bonding requirements and approval processes are implemented in accordance with the policy.

Training effectiveness is evaluated through the Training Evaluation Form ("TEF") and a post-training competency reassessment to measure the impact on employee performance and capability. Attendance and training records are maintained through the ESS/MyHR system to ensure proper tracking and reporting.

HeiTech remains committed to continuous learning and ensuring sustainable talent development and alignment with the Group's strategic direction.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors, Messrs. SBY Partners 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 2025. Subsequently, they will report to the Board that nothing has come to their attention that causes 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 Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, 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 address material internal control issues in any significant problems disclosed in the Annual Report will, in fact, remedy those problems.

CONCLUSION

Management is accountable to the Board for implementing and maintaining effective processes for identifying, assessing, monitoring and reporting risks and internal control matters within their respective areas of responsibility. The Group Chief Executive Officer ("GCEO"), together with the Group Chief Financial Officer ("Group CFO"), have provided assurance to the Board that the Group's risk management and internal control systems operated adequately and effectively, in all material respects, based on the established risk management and internal control framework of the Group.

Taking into account assurances provided by Key Management and relevant assurance providers, the Board is pleased to report that HeiTech's risk management and internal control practices and processes are satisfactory in safeguarding stakeholders' interests, shareholders' investments, customers' interests, and preserving the Group's assets.

This statement is made in accordance with a resolution of the Board dated 14th April 2026.

