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IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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HeiTech®

HeiTech Padu Berhad

(Company No. 199401024950 (310628-D))

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED NEW AND RENEWAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The ordinary resolution in respect of the above proposal will be tabled at the Twenty-Fifth (25th) Annual General Meeting ("AGM"), details of which are set out below. The Notice of AGM and the Form of Proxy are set out in the Company's Corporate Website at <http://www.heitech.com.my/page/content/investor-relations/>

Date and time of the AGM	: Monday, 22 June 2020 at 10.30 a.m or any adjournment thereof
Venue of AGM	: Nexus Hall, Level 1, HeiTech Village, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor
Last date and time for lodging the Form of Proxy	: 20 June 2020 at 10.30 a.m

This Circular is dated 21 May 2020

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DEFINITIONS

In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

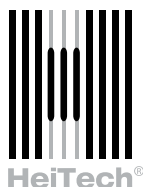
“Act”	:	Companies Act, 2016 as amended from time to time and any re-enactment thereof.
“AGM”	:	Annual General Meeting.
“Board”	:	The Board of Directors of HeiTech Padu Berhad.
“Bursa Malaysia”	:	Bursa Malaysia Securities Berhad.
“Cinix”	:	Cinix 1 Pty. Ltd.
“Circular”	:	This Circular dated 21 May 2020 in relation to the Proposal of the Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions.
“DAPAT VISTA”	:	Dapat Vista (M) Sdn. Bhd.
“DTSB”	:	Duta Technic Sdn. Bhd.
“EGM”	:	Extraordinary General Meeting.
“HDS”	:	HeiTech Defence System Sdn. Bhd.
“HECO”	:	HeiTech Eco Energy Sdn. Bhd.
“HeiTech” or “the Company”	:	HeiTech Padu Berhad (Company No. 199401024950 (310628-D) a company incorporated in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad.
“HeiTech Group”	:	HeiTech and its subsidiary companies.
“H/S	:	HeiTech <i>i</i> -Solutions Sdn. Bhd.
“HMS”	:	HeiTech Managed Services Sdn. Bhd.
“HNext”	:	HeiTech Next Sdn Bhd.
“IHS”	:	Integrated Healthcare Solutions Sdn. Bhd.
“Intercity”	:	Intercity MPC (M) Sdn. Bhd.
“IT”	:	Information Technology.

“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof.
“Mandated Related Parties”	:	PNB and its Subsidiaries.
“Mandated Period”	:	The period from 27 June 2019 until the conclusion of the next AGM estimated to be held not later than 30 June 2020 or the expiration of the contract, whichever is earlier.
“MOA”	:	Information Technology Services Master Outsourcing Agreement dated 8 December 1999 entered into between PNB and HeiTech Padu Sdn Bhd.
“MRC”	:	Motordata Research Consortium Sdn. Bhd.
“PT DESA”	:	PT Desa Tech Nusantara
“PNB”	:	Permodalan Nasional Berhad (Company No. 197801001190 (38218-X), a company incorporated in Malaysia under the Companies Act, 1965.
“Proposal”	:	Proposed New and Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions.
“PSG”	:	PSG Data Sdn. Bhd.
“Recurrent RPT” or “RRPT”	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of HeiTech.
“Related Party or Related Parties”	:	A Director(s) and major shareholder(s) of HeiTech or person(s) connected with such Director(s) or major shareholders(s). For the purpose of this definition, Director(s) and major shareholder(s) shall have the same meanings given in Paragraph 10.02 of the Listing Requirements.
“RPT”	:	Related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of HeiTech.
“RM” and “sen”	:	Ringgit Malaysia and sen respectively.
“Sales and Leaseback Agreement”	:	A Sales and Leaseback Agreement between HeiTech and Permodalan Nasional Berhad dated 27 April 2008.

- “Services” : Inclusive of Application Services, Desktop Management Services, Data Center Services, Disaster Recovery Services, Helpdesk Services and Network, and to manage and administer to manage Network, and administer leases pertaining to PNB’s machines and such other agreements for such IT assets acquired or leased by PNB from time to time, as stipulated in the MOA.
- “Shareholders’ Mandate” : Shareholders’ mandate to enter into this Recurrent RPT
- “Silvertch” : Silvertch Global Sdn. Bhd.
- “UBSB” : Uji Bestari Sdn Bhd

In this Circular, unless there is something in the subject or context inconsistent herewith, the singular includes the plural, references to gender include both genders and the neuter.

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HeiTech Padu Berhad

(Company No. 199401024950 (310628-D))
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 15, HeiTech Village,
Persiaran Kewajipan, USJ 1,
UEP Subang Jaya,
47600 Subang Jaya,
Selangor Darul Ehsan

21 May 2020

BOARD OF DIRECTORS:

Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor	Non-Executive Chairman
Dato' Sri Mohd Hilmey bin Mohd Taib	Executive Deputy Chairman
Dato' Haji Ghazali bin Awang	Independent Non-Executive Director
Dato' Mohd Fadzli bin Yusof	Independent Non-Executive Director
Sulaiman Hew bin Abdullah	Independent Non-Executive Director
Wan Ainol Zilan binti Abdul Rahim (f)	Independent Non-Executive Director
Datuk Mohd Radzif bin Mohd Yunus	Non-Independent Non-Executive Director
Datuk Jayakumar A/L Panneer Selvam <i>(appointed w.e.f 3rd March 2020)</i>	Non-Independent Non-Executive Director

To: The Shareholders of HeiTech Padu Berhad

Dear Sirs / Madams,

PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 27 June 2019, HeiTech had procured a mandate from its shareholders for HeiTech and/or its subsidiary companies to enter into Recurrent RPT with Mandated Related Parties in the ordinary course of business based on commercial terms which are not more favourable than those generally available to the public which are necessary for the day-to-day operations of HeiTech.

In accordance with the Listing Requirements, the aforesaid general mandate for Recurrent RPT shall expire at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

Subsequently, on 12 May 2020, the Company announced to Bursa Malaysia its intention to seek approval from its shareholders for the Proposal, at the forthcoming AGM, pursuant to Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide the shareholders with relevant information pertaining to the Proposal to set out the Board's recommendation to seek shareholders' approval for the ordinary resolution to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Under Part E, paragraph 10.09 (2) of the Listing Requirements, a listed company may seek a mandate from its shareholders in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the Shareholders' Mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09 (1) of the Listing Requirements;
- (c) the listed issuer's Circular to shareholders for the Shareholders' Mandate includes the information as may be prescribed by Bursa Malaysia.
- (d) in a meeting to obtain the shareholders' or unit holder mandate, the relevant related party must comply with the requirements set out in paragraph 10.08(7) of the Listing Requirements, interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him/her abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Malaysia when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Malaysia in its announcement.

2.2 Principal Business Activities of HeiTech Group of Companies

The principal activities of HeiTech are the provision of systems integration, network related services, data centre management, disaster recovery services and other information technology related services and the principal activities of its subsidiary companies are as follows:-

Name of Subsidiaries	Effective Ownership Interest %	Principal Activities
Cinix	100%	Writing & Supporting Software for the Automotive Industry
HDS	100%	Solution for the Defence Industry
HECO	100%	Renewable Energy Business.
H/S	100%	ICT Islamic Financial Solutions Provider
HMS	100%	ICT Infrastructure
HNext	100%	Research & Development, and Innovation
IHS	100%	To develop and expand HeiTech's business of medical sector
Intercity	100%	Business Process Outsourcing Services
PSG	100%	Development and Integration of Public Sector Business
DAPAT VISTA	80%	Information Technology, Multimedia Facilities and related services
MRC	60%	Provision of Centralised Database for Insurance & Automotive Industries
DTSB	51%	Development of Energy Substation
UBSB	51%	Development of e-Testing Services for Driving Institute
Silvertech	49%	To drive Information Technology Services Internationally
PT DESA	49%	To provide Cooperative System

2.3 Class and Nature of the Current Recurrent Related Party Transactions for the Shareholders' Mandate

The related parties, details of transactions and their values which is anticipated to occur during the mandated period is outlined below:-

a) Renewal of Existing Mandate (i) - PNB

Company/ Related Party	HeiTech and/or its subsidiaries involved in RRPT	Interested Related Party	Nature of Transaction	Estimated Value of Transactions from preceding year's Circular dated 30 April 2019	Actual value of RRPT from 27 June 2019 to 21 May 2020, being the latest practicable date before printing this Circular	Estimated Value of transactions from 22 June 2020 to the next AGM#
PNB	HeiTech	Datuk Mohd Radzif bin Mohd Yunus is the nominee for PNB and HeiTech's Directors	HeiTech acts as PNB's IT Consultant by providing the Services as per the MOA that is spelt out at item 2.5 Rental of office space from PNB at HeiTech Village, Persiaran Kewajipan USJ 1, UEP Subang Jaya, 47600 Subang Jaya, Selangor. Total rentable area is 69,346 sq ft with monthly rental at RM208,038	RM40,000,000	RM11,900,000	RM40,000,000
TOTAL				RM43,500,000	RM14,600,000	RM43,500,000

b) Renewal of Existing Mandate (ii) - ASNB

Company/ Related Party	HeiTech and/or its subsidiaries involved in RRPT	Interested Related Party	Nature of Transaction	Estimated Value of Transactions from preceding year's Circular dated 30 April 2019	Actual value of RRPT from 27 June 2019 to 21 May 2020, being the latest practicable date before printing this Circular	Estimated Value of transactions from 22 June 2020 to the next AGM#
Amanah Saham Nasional Berhad ("ASNB")*	Intercity	i. Datuk Mohd Radzif bin Mohd Yunus is a Director of HeiTech. Datuk Mohd Radzif bin Mohd Yunus is the nominee of PNB, holding Company of ASNB	Printing and distribution of ASNB and other unit trusts statements	RM750,000	RM 1,600,000	RM 2,100,000
TOTAL				RM750,000	RM 1,600,000	RM 2,100,000

Notes:

The estimated value of transactions for the period from 22.6.2020 to the next AGM are based on information, budgets and forecasts at the point of estimation and the actual value of transactions may vary accordingly.

* ASNB is a wholly-owned subsidiary of PNB.

c) New Mandate - PNB

Company/ Related Party	HeiTech and/or its subsidiaries involved in RRPT	Interested Related Party	Nature of Transaction	Estimated Value of Transactions from preceding year's Circular dated 30 April 2019	Actual value of RRPT from 27 June 2019 to 21 May 2020, being the latest practicable date before printing this Circular	Estimated Value of transactions from 22 June 2020 to the next AGM#
PNB	HeiTech	i. Datuk Mohd Radzif bin Mohd Yunus is a Director of HeiTech. Datuk Mohd Radzif bin Mohd Yunus is the nominee of PNB, holding Company of ASNB*	Tender proposal for design, supply, deliver, install, develop, customize, integrate and maintain a new Unit Trust Core System for ASNB*	-	-	RM50,000,000
TOTAL						
				-	-	RM50,000,000

Notes:

The estimated value of transactions for the period from 22.6.2020 to the next AGM are based on information, budgets and forecasts at the point of estimation and the actual value of transactions may vary accordingly.

* ASNB is a wholly-owned subsidiary of PNB.

2.3.1 Rental Agreement

Lessor	Lessee	Building	Address	Area (Sq. Feet)	Rental (RM)	Uses
PNB	HeiTech Padu Berhad	Menara HeiTech Village	Level 15, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Subang Jaya, Selangor	69,346	1/12/2018 – 30/11/2021 RM208,038 per month	Office Building

2.4 Details of Amount Owning by Related Parties Which Exceeded the Credit Term

Company / Related Party	Period of 1 year or less (RM)	Period of 1-3 years (RM)	Period of 3-5 years (RM)	Period of more than 5 years (RM)
ASNB*	3,489,783.50	-	-	-
PNB*	1,846,078.79	-	-	-

*HeiTech provides Disaster Recovery Services to PNB and also to PNB fund manager, ASNB. ASNB is a wholly-owned subsidiary of PNB.

In relation to the Outstanding RRPT Receivables, no late payment charges are imposed as this is due to, amongst others, the Company's domestic industry practices whereby no late payment charges will be imposed.

The courses of action(s) currently undertaken by the Company in recovering the outstanding amount due are as follows:-

- (i) To continue to send reminders until the overdue accounts are settled;
- (ii) The Audit Committee will discuss with the Management and Treasury department on the progress of payment; and
- (iii) To ensure that the Audit Committee is updated quarterly on the status of the outstanding for monitoring purposes.

The Board is of the opinion that the outstanding amount is closely monitored and optimistic that the amount is recoverable.

2.5 Details of MOA

By an MOA entered into between PNB and HeiTech on 8 December 1999, PNB has appointed HeiTech to act as their IT Consultant by providing the Services to PNB.

The provision of Services has commenced on 1st February 2003 to 31 December 2005 and subsequently renewed as follows:

Renewal Period

- 1) 1 Feb 2003 – 31 Dec 2005
- 2) 1 Jan 2006 – 31 Dec 2006
- 3) 1 Jan 2007 – 31 Dec 2008
- 4) 1 Jan 2009 – 31 Dec 2009
- 5) 1 Jan 2010 – 31 Dec 2011
- 6) 1 Jan 2012 – 31 Dec 2012
- 7) 1 Jan 2013 – 31 Dec 2014
- 8) 1 Jan 2015 – 31 Dec 2015
- 9) 1 Jan 2016 – 31 Dec 2016
- 10) 1 Jan 2017 – 31 Dec 2017
- 11) 1 Jan 2018 – 31 Dec 2018
- 12) 1 Jan 2019 – 31 Dec 2019
- 13) 1 Jan 2020 – 31 Dec 2020

PNB has hereby agreed to continue outsourcing the Services to HeiTech and HeiTech has agreed to continue providing the said Services for a period of one (1) year commencing from 1 January 2020 and expiring on 31 December 2020 with an option to extend the duration of the MOA for a further period of twelve (12) months from the expiration of the MOA based on the same terms and conditions.

2.6 Rationale and Benefits for the Proposed New Renewal of Shareholders' Mandate

The Proposal is vital to ensure the continuing relationship between HeiTech and PNB and for HeiTech's continuing status as PNB's IT Consultant. This continuing relationship is beneficial to HeiTech in terms of business continuity and revenue contribution to the Company.

Hence, the Proposal is intended to facilitate transactions in the normal course of business of the Company which are transacted from time to time with the Related Parties, provided that they are carried out at arm's length basis and on the Company's normal commercial terms and are not prejudicial to the shareholders and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of minority shareholders.

The obtaining of the Proposal would eliminate the need to convene separate general meeting from time to time to seek shareholders' approval as and when potential Recurrent RPT with Related Parties arises, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business available to the Company.

2.7 Review Procedures in relation to RRPT

The Recurrent RPT are in the ordinary course of business and are conducted at arm's length and are on terms not more favourable to the Related Parties than those generally available to the general public.

The Company will implement the following procedures to supplement existing internal procedures for general transactions to ensure that the Recurrent RPT are undertaken at an arm's length basis and on normal commercial terms and transaction prices and terms

not more favourable to the related parties than those generally available to the public and are not to the detriment of the Minority Shareholders:-

- (i) The pricing of any Recurrent RPTs entered will be determined based in prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/consideration and are not to the detriment of minority shareholders of HeiTech and shall remain so throughout the contract unless varied by the parties in writing;
- (ii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the willing buyer and willing seller agreements, as usual business practices of HeiTech Group;

- (iii) Records will be maintained by the Company to list all Recurrent RPT, which are/will be entered into, which will be made available to the Audit Committee for its quarterly review. The Audit Committee of HeiTech has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and will review these procedures and process on an annual basis;
- (iv) The Audit Committee currently comprises of Dato' Haji Ghazali bin Awang, Tan Sri Dato' Sri Abi Musa Asa'ari bin Mohamed Nor and Puan Wan Ainol Zilan binti Abdul Rahim. The Audit Committee will review, on a quarterly basis, the status reports on contracted works being performed by HeiTech, which are Recurrent RPT to ascertain the progress of the works. The Committee will consider whether the guidelines and procedures for Recurrent RPT have ceased to be appropriate or are on normal commercial terms or are detrimental to the interest of the Minority Shareholders or the public generally; and
- (v) Where any Directors or persons connected to him/her has an interest (direct or indirect) in any related party transactions, such director (or his alternate) shall abstain from voting on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit Committee with respects to such transactions.

2.8 Validity Period

The Proposal, will, if approved by the shareholders at the forthcoming AGM, shall continue to be in force until:

- (i) the conclusion of the next AGM of HeiTech following the forthcoming AGM at which such Proposal is passed, at which time it will lapse, the authority is renewed; or
 - (ii) revoked or varied by a resolution passed by the shareholders in an AGM or EGM; or
 - (iii) the expiration of the contract;
- whichever is earlier.

2.9 Disclosure In The Annual Report

Disclosure will be made in the Annual Report of the Company of the breakdown of the aggregate value of the Recurrent RPT conducted pursuant to the Proposal during the financial year, including the type of transaction made and the name of the related parties involved in each type of transaction and their relationship with HeiTech or the HeiTech Group, as the case may be. The same disclosure shall be made in the Annual Report of the Company for the subsequent financial years during which the Proposed Shareholders' Mandate is in force.

3.0 Threshold of Authority

There is no specific threshold for the approval of the Recurrent RPT within HeiTech Group. All Recurrent RPT are subject to review by the Audit Committee and shall be recommended to the Board of Directors for approval.

Where any Directors or persons connected to him/her has an interest (direct or indirect) in any related party transactions, such director (or his alternate) shall abstain from voting on the matter. Where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit Committee with respects to such transactions.

3.1 Statement By Audit Committee

The Audit Committee of the Company has reviewed the terms of the Proposal and is satisfied that the review procedure for Related Parties transactions of a revenue or trading nature as stated in Section 2.7 above, as well as the annual reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that related party transactions of a revenue or trading nature are on normal commercial terms; i.e., on terms not more favourable to the related party than those generally available to the public, and hence, will not be detrimental to the minority shareholders or disadvantageous to the Company.

3. FINANCIAL EFFECTS

The Proposal will not have any material financial effect on the Company and is not expected to have a material effect on working capital, earnings, net assets of HeiTech Group and the shareholdings of Directors and substantial shareholders of HeiTech.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interested Director, namely Datuk Mohd Radzif bin Mohd Yunus has abstained and will continue to abstain from all deliberations and voting on the Proposal in relation to the above Recurrent RPT at all Board and Committee Meetings.

Datuk Mohd Radzif bin Mohd Yunus, and the interested major shareholder, namely PNB, will be abstained from voting in respect of their direct and/or indirect shareholdings on the resolutions approving the Proposal in relation to the above Recurrent RPT to be tabled at the forthcoming AGM.

PNB, a major shareholder of HeiTech by virtue of its substantial shareholding of 6.95%. ASNB is a wholly-owned subsidiary of PNB.

The direct and indirect interest of PNB, the interested major shareholder of HeiTech and ASNB, PNB's wholly-owned subsidiary as at 21 May 2020 are as follows:-

Major Shareholder	No. of Ordinary Shares Held in HeiTech			
	Direct	%	Indirect	%
PNB	7,040,400	6.95	-	-

Subsidiary Company of PNB	No. of Ordinary Shares Held in HeiTech			
	Direct	%	Indirect	%
ASNB	-	-	-	-

The direct and indirect interests of interested Directors of HeiTech as of 21 May 2020:-

Directors	No. of Ordinary Shares Held in HeiTech			
	Direct	%	Indirect	%
Datuk Mohd Radzif bin Mohd Yunus	-	-	-	-

Note:

(1) Deemed interested by virtue of being Directors the Company representing PNB.

The abovementioned Interested Directors and Interested Major Shareholder have undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolutions approving the Proposal in relation to the above Recurrent RPT to be tabled at the forthcoming AGM.

Save as disclosed above, none of the other directors or major shareholders or persons connected with them has any interest, direct or indirect in the Proposal.

5. CONDITIONS

The Proposal is conditional upon the approval of the shareholders of HeiTech at the forthcoming AGM to be convened.

6. DIRECTORS' RECOMMENDATION

The Board (with the exception of Datuk Mohd Radzif bin Mohd Yunus), who have abstained from giving an opinion) having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interest of the Company and its Shareholders. The Board wishes to advise that the Recurrent RPT are in the ordinary course of the Group's business.

Having considered the rationale and benefit stated in Section 2.6 above, the Board (with the exception of Datuk Mohd Radzif bin Mohd Yunus who have abstained from making recommendations) recommends the shareholders to vote in favour of the resolution in respect of the Proposal to be tabled at the forthcoming AGM.

7. ANNUAL GENERAL MEETING

The 25th Annual General Meeting of the Company, the notice of which is set out in the Notification & Corporate Website of HeiTech at <http://www.heitech.com.my/page/content/investor-relations/> for the financial year ended 31 December 2019 accompanying this Circular, will be held at Nexus Hall, Level 1, HeiTech

Village, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor, on Monday, 22 June 2020 at 10.30 a.m. to consider and if thought fit, passing the resolution to give effect to the Proposal.

If you are unable to attend and vote in person at the 25th AGM, you are requested to complete, sign and return Form of Proxy readily available in the Company's website at <http://www.heitech.com.my/page/content/investor-relations/>, in accordance with the instructions printed therein to the office of the Company's Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Company No. 197101000970 (11324-H)), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, as soon as possible and in any event not less than forty-eight (48) hours before the time set for holding the 25th AGM. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the 25th AGM if you subsequently wish to do so.

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices for further information.

Yours faithfully
For and on behalf of the Board of Directors of
HEITECH PADU BERHAD

TAN SRI DATO' SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Chairman

APPENDIX I

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

ESCD Technology Sdn Bhd ("Plaintiff") vs HeiTech Padu Berhad ("Defendant")

The Plaintiff is claiming RM2,730,000 for extended services to a customer from the Defendant. The Defendant will defend the case through its appointed legal counsel. Due to the Movement Control Order announced by the Government, The Judge has yet to reschedule the trial date.

3. MATERIAL CONTRACTS

There are no material contracts (not being entered into in the ordinary course of business), have been entered into by HeiTech and its subsidiaries, within two (2) years preceding the date of this Circular.

4. MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE

Save as disclosed in the audited financial statements for the financial year ended 31 December 2019, there are no other material commitments for capital expenditure incurred or known to be incurred by the Company or its subsidiary companies which may have a substantial impact on the results or the financial position of the Company as the date of this Circular.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 15, HeiTech Village, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Subang Jaya, Selangor Darul Ehsan, following the date of this Circular from Mondays to Fridays (except Public Holidays) during business hours up to and including the date of the AGM:

- i. the Memorandum and Articles of Association of HeiTech; and
- ii. the audited financial statements of HeiTech for the two (2) financial years ended 31 December 2018 and 31 December 2019.
- iii. The cause papers/documents pertaining to the Material Litigation in Section 2 above.

APPENDIX II

EXTRACT OF THE NOTICE OF THE TWENTY-FIFTH (25th) ANNUAL GENERAL MEETING

Ordinary Resolution to approve the Proposed New Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

“That, subject to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“HeiTech Group”) to enter into all transactions falling within the types of recurrent related party transactions of a revenue or trading nature which is necessary for HeiTech Group’s day to day operations, as specified in Section 2.3 of the Circular to Shareholders dated 21 May 2020, with the related parties mentioned therein provided that the transactions are in the ordinary course of business and on normal commercial terms that are not favourable to the related parties than those generally available to the public and are not to detriment of the minority shareholders of the Company.

AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of HeiTech, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed; or
- (ii) the expiration of the period within the next AGM of HeiTech is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders in an AGM or EGM;

whichever is earlier.

AND FURTHER that the Board of Directors of HeiTech be authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of HeiTech with full power to assent to any conditions, variations, modifications and/or amendments in any manner in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

Note:

The above resolution is for information purposes only. Please refer to the Notice of the Twenty-Fifth (25th) AGM set out in the Company’s Notification of Annual General Meeting despatched together with this Circular.