

INFRAHARTA HOLDINGS BERHAD (“INFRAHARTA” OR THE “COMPANY”)

PROPOSED PRIVATE PLACEMENT

(Unless stated otherwise or defined herein, the abbreviations used in this Announcement shall be defined in **Appendix I.**)

1. INTRODUCTION

On behalf of the Board, TA Securities wishes to announce that the Company proposes to undertake a private placement of up to 10% of the total number of issued Shares to third party investors to be identified later and at an issue price to be determined later.

2. PROPOSED PRIVATE PLACEMENT

2.1 Size of placement

As at the LPD, the issued share capital of the Company is RM150,175,513 comprising 418,602,719 Shares.

As at the LPD, Infraharta does not hold any treasury shares. The Company does not have any outstanding convertible securities but there are up to 59,790,400 SIS Options which may be granted and exercised pursuant to the maximum allowable amount under the SIS.

The Company had obtained the approval from its Shareholders at the last AGM convened on 29 August 2024, authorising the Board to issue and allot new Infraharta Shares not exceeding 10% of the total number of issued Shares (excluding treasury shares) pursuant to Sections 75 and 76 of the Act (“**General Mandate**”). The said approval shall continue to be in force, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of the Company.

In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from Shareholders at the next AGM for renewal of the General Mandate.

Based on the above, the Company will be able to issue up to 47,839,300 Placement Shares, computed as follows:

	No. of Shares	
	Minimum Scenario	Maximum Scenario
Issued Shares as at LPD	418,602,719	418,602,719
To be issued assuming full granting and exercise of the SIS Options	-	59,790,400
After full granting and exercise of the SIS Options	418,602,719	478,393,119
To be issued pursuant to the Proposed Private Placement	41,860,200	47,839,300

In accordance with Paragraph 6.03(1) of the Listing Requirements, Infraharta must not issue any Shares or convertible securities under a General Mandate if the total number of those Shares or convertible securities, when aggregated with the total number of any such Shares or convertible securities issued during the preceding 12 months under a General Mandate, exceeds 10% of the total number of issued shares (excluding treasury shares) of Infraharta. The Board will ensure at all times that the Proposed Private Placement complies with Paragraph 6.03(1) of the Listing Requirements.

Infraharta had placed out a total of 34,423,000 new Shares pursuant to its Previous Private Placement which was completed on 23 January 2025, the details of which are as follows:

Tranche	Listing date	Issue price (RM)	No. of Shares placed out
1	11 March 2024	0.1100	21,818,000
2	30 May 2024	0.1555	12,605,000
Total			34,423,000

As such, in compliance with Paragraph 6.03(1) of the Listing Requirements as well as Sections 75 and 76 of the Act, the number of Placement Shares that are available to be placed out is as set out below:

Date	No. of Placement Shares available to be placed out	
	Minimum Scenario	Maximum Scenario
After 11 March 2025	29,255,200	35,234,300
After 30 May 2025	41,860,200	47,839,300

2.2 Placement arrangement

The Placement Shares are intended to be placed to independent third-party investor(s) to be identified later and who qualify under Schedules 6 and 7 of the CMSA. The Placement Shares are not intended to be placed to the following persons:

- (i) Interested Person;
- (ii) a person connected with an Interested Person; or
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Private Placement may be implemented in one or multiple tranches within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

The implementation of the placement arrangement in multiple tranches would provide flexibility to the Company to procure interested investors to subscribe for the Placement Shares within the approval period as approved by Bursa Securities.

The issue price for each tranche of the Placement Shares will be determined separately. The basis of determining the issue price of the Placement Shares will be in accordance with market-based principles.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

2.4 Listing and quotation of the Placement Shares

An application will be made to Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities.

2.5 Basis and justification of the issue price of the Placement Shares

The Placement Shares will be issued based on a discount of not more than 10% to the 5-day VWAP of Infraharta Shares up to and including the last trading day immediately preceding the price-fixing date, to be determined by the Board after taking into consideration the prevailing market conditions.

For illustrative purposes only, based on an illustrative issue price of RM0.0653 per Placement Share, the issue price of the Placement Shares would represent a discount of approximately 9.93% to the 5-day VWAP of Infraharta Shares up to and including the LPD of RM0.0725 (Source: Bloomberg).

As the Proposed Private Placement may be implemented in several tranches, there could potentially be several price-fixing dates and issue prices.

2.6 Equity fund-raising exercises undertaken by the Company in the past 12 months

Save as disclosed below, the Company has not undertaken any other equity fund-raising exercises in the past 12 months preceding the date of this Announcement:

Previous Private Placement

On 23 January 2025, the Company completed the Previous Private Placement, raising total proceeds of approximately RM4.36 million. The said proceeds have been fully utilised towards funding for the Group's on-going construction and property development project, working capital and expenses in relation to the Previous Private Placement.

3. UTILISATION OF PROCEEDS

Based on an illustrative issue price of RM0.0653 per Placement Share, the proceeds from the Proposed Private Placement are expected to be utilised as follows:

Utilisation of proceeds	Expected timeframe for utilisation from completion of Proposed Private Placement	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
(i) Working capital	Within 12 months	2,623	3,014
(ii) Estimated expenses for the Proposed Private Placement	Immediate	110	110
Total		(1) 2,733	(1) 3,124

Note:

- (1) The proceeds raised from the Proposed Private Placement shall firstly be used to defray estimated expenses for the Proposed Private Placement. The balance proceeds will be allocated for working capital.

Pending utilisation of the proceeds from the Proposed Private Placement for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments.

The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital (such as staff salaries, utilities, rental and upkeep of office) for the Group. The breakdown for the interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments to be utilised for the additional general working capital are not determinable at this juncture.

(i) Working capital

As at the LPD, the cash and bank balances of the Group amounted to approximately RM2.54 million. For the 9-month FPE 31 December 2024, the Group incurred administrative expenses of approximately RM2.59 million (after excluding non-cash expenses) for its business operations, which translated to an approximate overhead requirement of RM0.29 million per month (or RM3.45 million per annum).

Considering the Group's current cash and bank balances position as well as the need for the Group to meet its working capital requirements, the Company is of the view that the Proposed Private Placement represents an expedient avenue for the Group to raise funds for the aforesaid purpose.

The Group intends to utilise the proceeds to be raised from the Proposed Private Placement to fund the Group's working capital requirement in the following manner:

	Percentage allocation (%)	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Payment to creditors of the Group	85	2,230	2,562
Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office ⁽¹⁾	15	393	452
Total		2,623	3,014

Note:

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group at the relevant time.

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(ii) Estimated expenses for the Proposed Private Placement

The breakdown of the estimated expenses for the Proposed Private Placement is illustrated as follows:

Estimated expenses	Amount (RM'000)
Professional fees ⁽¹⁾	82
Fees to relevant authorities	21
Miscellaneous expenses and contingencies	7
Total	110

Note:

- (1) These include advisory fees, placement commission and other professional fees payable to the Principal Adviser, company secretary and share registrar in relation to the Proposed Private Placement.

4. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

Upon evaluating the funding requirements for the purposes as set out in **Section 3** of this Announcement, the Board is of the view that capital fund raising via the Proposed Private Placement will provide the necessary funding on an immediate basis.

After due consideration of the various methods of fund raising (such as bank borrowings and rights issue exercise), the Board is of the opinion that the Proposed Private Placement is currently the most appropriate avenue of fund raising as:

- (i) it enables the Group to raise funds expeditiously without incurring interest cost or having to service principal repayments as compared to bank borrowings, thereby allowing the Group to preserve its cash flow;
- (ii) it is comparatively expedient and an efficient avenue to raise the required quantum of funds as opposed to other forms of equity fund raising such as rights issue exercise, where the proceeds are raised on a "lump-sum" basis and such exercise generally takes a longer implementation time. With a private placement, the placees are required to pay the placement funds for a particular tranche within 5 market days from the price fixing date;
- (iii) as the Proposed Private Placement may also be implemented in tranches, this enables the Company to raise funds expeditiously on an "as needed" basis thus preventing an immediate dilution to the existing shareholders' shareholdings; and
- (iv) upon completion of the Proposed Private Placement, the enlarged capital base is also expected to strengthen the financial position of the Company.

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5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of 2024, albeit at a moderate pace. Overall, real gross domestic product in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

For 2025, the economy is projected to grow between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for E&E goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is GEAR-uP, will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

5.2 Overview and outlook of the construction sector in Malaysia

The construction sector posted a significant growth of 14.6% in the first half of 2024, driven by expansion in all subsectors. The civil engineering subsector continues its stellar performance, benefitting from the acceleration of ongoing infrastructure projects including the east Coast Rail Link ("**ECRL**"), Rapid Transit system Link ("**RTS Link**") between Johor Bahru and Singapore as well as Pan Borneo Highway Sabah. Moreover, residential buildings and non-residential buildings subsectors also contributed to the performance on the back of increasing demand for affordable houses as well as vibrant economic activities, respectively. Meanwhile, the Penang South Reclamation project and the installation of electrical and piping systems supported the specialised construction activities subsector.

The sector is expected to continue its positive momentum in the second half of 2024, with projected double-digit growth of 13.7%. The acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan) will further support the civil engineering subsector. In addition, the construction of data centres mainly in Johor and Selangor as well as industrial buildings is anticipated to further strengthen the non-residential buildings subsector. The residential buildings subsector is projected to grow, supported by increasing demand for affordable houses in line with the Government's initiatives under Budget 2024. This encompasses, among others, the implementation of 36 Program Perumahan Rakyat, including 15 existing projects, which will benefit 5,100 residents, 14 Program Rumah Mesra Rakyat to construct 3,500 housing units and new housing MADANI projects. Furthermore, private sector led projects continue to provide additional support to the residential buildings subsector. Overall, the sector is anticipated to grow further by 14.1% in 2024.

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The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as LRT3 Phase 2 and Sarawak-Sabah Link Road Phase 2. Similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian Integrated Green Industrial Park (“**KIGIP**”) and Johor-Singapore Special Economic Zone (“**JS-SEZ**”). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi Madani framework, alongside new development projects by the private sector.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

5.3 Overview and outlook of the property market in Malaysia

The property market performance continues to strengthen, supported by stable economic conditions and targeted government initiatives. A total of 420,545 transactions worth RM232.30 billion were recorded, expanded by 5.4% and 18.0% in volume and value of transactions, showing the highest market activities in Malaysia over the past decade. Of the total transactions, 77.7% (326,784 transactions) were transferred in 2024, 19.1% (80,487 transactions) were in 2023, and the remaining share consisted of transfers from previous years.

Sectoral market activity performance continued its upward momentum. All subsectors recorded year-on-year growth in the volume of transactions. Higher increases were observed for the commercial subsector (13.6%) and development land and others (9.7%). Meanwhile, the industrial subsector also grew at a faster pace by 7.7%, driven by sustained demand for vacant industrial land nationwide. The residential and agricultural subsectors show modest growth of 4.0% and 4.1%, respectively. On the value front, all subsectors recorded higher growth, led by the commercial sub-sector (51.6%), followed by development land and others (32.7%), industrial (16.4%), residential (5.9%), and agricultural (4.8%).

The residential sub-sector retained the largest share of the overall property transactions, with a 62.0% contribution in volume. This was followed by agriculture (18.7%), commercial (10.9%), development land and others (6.3%), and industrial (2.1%). Similarly, in value, residential took the lead with a 46.0% share, followed by commercial (25.0%), industrial (12.0%), development land and others (8.6%), and agriculture (8.4%).

As the national economy is projected to expand by 4.5% to 5.5% in 2025, the property market is expected to maintain its growth trajectory, driven by sustained transaction activity. The implementation of the Ekonomi MADANI framework, supported by the rollout of strategies from a cohesive policy and action plan, notably the National Energy Transition Roadmap (NETR) and the NIMP 2030, will boost Malaysia’s economy and further stimulate the expansion of the property market. Furthermore, ongoing government support, coupled with Malaysia’s strong economic performance, is expected to continue a positive growth in the property market.

(Source: Property Market Report 2024, Valuation and Property Services Department, Ministry of Finance Malaysia)

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5.4 Prospects of Infraharta Group

The Group is principally involved in the following business segments:

Construction : Construction and renovation of buildings and other engineering projects

Property development : Property development activities

In line with the Group's long-term expansion strategy, the Group has been on a constant lookout for new opportunities for both its construction and property development segments.

Premised on the above as well as the outlook of the construction industry and property market in Malaysia as set out in **Sections 5.2** and **5.3** above, the management is cautiously optimistic about the Group's future prospects.

(Source: Management of Infraharta)

5.4.1 Steps undertaken by the Group to improve its financial condition

In recent years, the Group has undertaken several initiatives to improve its financial condition, which include, amongst others:

- (i) On 16 January 2025, the Group had completed a high-rise residential development project known as Pavilion Residence strategically located in Seberang Perai Tengah, Penang, with a total GDV of approximately RM49 million;
- (ii) Completed the Previous Private Placement on 23 January 2025, raising total proceeds of RM4.36 million towards funding for the Group's on-going construction and property development project, as well as working capital; and
- (iii) The Group has been actively and continuously looking out for new opportunities for its constructions segment (i.e., actively tendering and negotiating for projects related to earthwork, drainage, roadworks and infrastructure located in West Malaysia). In FYE 31 March 2024, the Group has been progressively securing projects and is currently engaged in 8 ongoing projects with total contract sum of RM123.30 million.

As at the LPD, the Group is in the process of negotiating for new construction projects to further strengthen its order book.

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5.4.2 Impact of the Proposed Private Placement and value creation to the Group and its Shareholders

The Proposed Private Placement will enable the Group to raise funds without incurring additional interest expense, thereby minimising cash flows commitment and preserving the Group's cash flows.

Notwithstanding the above, the consolidated EPS / LPS of the Group is expected to be diluted as a result of the increased number of Shares arising from the Proposed Private Placement. The effects of the Proposed Private Placement on the share capital, NA and gearing, earnings and EPS, substantial shareholders' shareholdings of the Group are set out in **Section 6** of this Announcement.

With the injection of new funds, the Company will be able to fund the working capital for the Group's business operations as set out in **Section 3** of this Announcement, without having to incur further interest costs or service principal repayments as compared to bank borrowings. In turn, this allows the Company to preserve its cash flow. The proceeds to be raised from the Proposed Private Placement are intended to be utilised mainly to fund the working capital of the Group.

After taking into consideration the proposed utilisation of proceeds in **Section 3** of this Announcement, the rationale in **Section 4** of this Announcement, the industry outlook and the Group's prospects in **Section 5** of this Announcement and the effects of the Proposed Private Placement in **Section 6** of this Announcement, the Board is of the view that the Proposed Private Placement is expected to create value and is adequate to meet the Group's immediate funding needs.

5.4.3 Adequacy of the Proposed Private Placement in addressing the Group's financial requirements

Premised on **Sections 5.4.1** and **5.4.2** above as well as the effects of the Proposed Private Placement as set out in **Section 6** of this Announcement, the Board is of the view that the Proposed Private Placement is adequate to address the Group's financial requirements at this juncture.

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6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	418,602,719	150,175,513	418,602,719	150,175,513
To be issued assuming full granting and exercise of the SIS Options	-	-	59,790,400	⁽¹⁾ 6,200,264
After full granting and exercise of the SIS Options	418,602,719	150,175,513	478,393,119	156,375,777
To be issued pursuant to the Proposed Private Placement	41,860,200	⁽²⁾ 2,623,471	47,839,300	⁽²⁾ 3,013,906
Enlarged issued share capital	460,462,919	152,798,984	526,232,419	159,389,683

Notes:

- (1) Assuming all the 59,790,400 SIS Options that may be further granted are fully granted and exercised into new Shares at an illustrative exercise price of RM0.0653 per SIS Option, which represents a discount of approximately 9.93% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.0725 and after accounting for the reversal of SIS Options reserve.
- (2) Based on an illustrative issue price of RM0.0653 per Placement Share and after deducting estimated expenses to be incurred for the Proposed Private Placement of RM0.11 million.

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6.2 NA and gearing

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Group are as follows:

Minimum Scenario

	Audited as at 31 March 2024 (RM'000)	(I) After subsequent events ⁽¹⁾ (RM'000)	(II) After (I) and the Proposed Private Placement ⁽²⁾ (RM'000)
Share capital	148,213	150,176	152,799
Fair value reserve	(6,141)	(6,141)	(6,141)
Accumulated losses	(95,407)	(95,407)	(95,407)
Shareholders' equity / NA	46,665	48,628	51,251
Non-controlling interests	(3,688)	(3,688)	(3,688)
Total equity	42,977	44,940	47,563
No. of Shares in issue ('000)	405,998	418,603	460,463
NA per Share (RM)	0.11	0.12	0.11
Total borrowings (RM'000)	755	755	755
Gearing (times)	0.02	0.02	0.02

Notes:

- (1) After accounting for the issuance of 12,605,000 placement shares at an issue price of RM0.1555 per placement share pursuant to the Previous Private Placement and net reversal of expenses of RM2,694 in relation to the Previous Private Placement.
- (2) Based on an illustrative issue price of RM0.0653 per Placement Share and after deducting estimated expenses to be incurred for the Proposed Private Placement of RM0.11 million.

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Maximum Scenario

	Audited as at 31 March 2024 (RM'000)	(I) After subsequent events⁽¹⁾ (RM'000)	(II) After (I) and assuming the full granting and exercise of the SIS Options⁽²⁾ (RM'000)	(III) After (II) and the Proposed Private Placement⁽³⁾ (RM'000)
Share capital	148,213	150,176	156,376	159,390
Fair value reserve	(6,141)	(6,141)	(6,141)	(6,141)
Accumulated losses	(95,407)	(95,407)	(97,703)	(97,703)
Shareholders' equity / NA	46,665	48,628	52,532	55,546
Non-controlling interests	(3,688)	(3,688)	(3,688)	(3,688)
Total equity	42,977	44,940	48,844	51,858
No. of Shares in issue ('000)	405,998	418,603	478,393	526,232
NA per Share (RM)	0.11	0.12	0.11	0.11
Total borrowings (RM'000)	755	755	755	755
Gearing (times)	0.02	0.02	0.02	0.01

Notes:

- (1) After accounting for the issuance of 12,605,000 placement shares at an issue price of RM0.1555 per placement share pursuant to the Previous Private Placement and net reversal of expenses of RM2,694 in relation to the Previous Private Placement.
- (2) Assuming all the 59,790,400 SIS Options that may be further granted are fully granted and exercised into new Shares at an illustrative exercise price of RM0.0653 per SIS Option, which represents a discount of approximately 9.93% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.0725 and after accounting for the reversal of SIS Options reserve.
- (3) Based on an illustrative issue price of RM0.0653 per Placement Share and after deducting estimated expenses to be incurred for the Proposed Private Placement of RM0.11 million.

6.3 Substantial Shareholders' shareholdings

As at the LPD, the Company does not have any substantial Shareholders.

6.4 Earnings and EPS

The Proposed Private Placement is not expected to have an immediate material effect on the EPS of the Company, save for the dilution to EPS as a result of the increase in the number of Shares pursuant to the issuance of Placement Shares.

Although the EPS will be diluted as a result of the increase in the number of Shares, the Proposed Private Placement is expected to contribute positively to the earnings of the Company thereafter in view of the utilisation of proceeds as set out in **Section 3** of this Announcement.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities but there are up to 59,790,400 SIS Options which may be granted and exercised pursuant to the maximum allowable amount under the SIS.

The Proposed Private Placement will not result in any adjustment to the number and/or exercise price of the SIS Options (if granted) pursuant to the By-Laws.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Private Placement is subject to the following approvals being obtained:

- (i) the approval of Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities; and
- (ii) the approvals / consents of any other relevant authorities / parties, if required.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the fourth quarter of 2025.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major Shareholders, chief executive and/or persons connected to them have any interest, direct or indirect, in the Proposed Private Placement in view that the Placement Shares to be issued will be placed out to third-party investor(s).

10. DIRECTORS' STATEMENT

The Board, having considered the current and prospective financial position, needs and capacity of the Company and after careful deliberation of the rationale and all other aspects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interests of the Company.

11. APPLICATION TO THE AUTHORITIES

The listing application in relation to the Proposed Private Placement will be submitted to Bursa Securities on even date.

12. ADVISER AND PLACEMENT AGENT

TA Securities has been appointed by the Company to act as the Principal Adviser and the Placement Agent for the Proposed Private Placement.

This Announcement is dated 23 April 2025.

APPENDIX I – DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Announcement:

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual general meeting
Announcement	: This announcement in relation to the Proposed Private Placement
Board	: Board of Directors of Infraharta
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-Laws	: By-laws governing the SIS, as amended, modified and supplemented from time to time in accordance with the provisions of the By-Laws
CMSA	: Capital Markets and Services Act 2007
Directors	: Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the CMSA and Director shall be construed accordingly
EPS	: Earnings per Share
FPE	: Financial period ended
FYE	: Financial year(s) ended / ending
GDV	: Gross development value
GL	: Gross loss
GP	: Gross profit
Infraharta or the Company	: Infraharta Holdings Berhad (200701007217 (765218-V))
Infraharta Group or the Group	: Collectively, the Company and its subsidiaries
Infraharta Shares or the Shares	: Ordinary shares in the Company
Interested Person	: A director, major shareholder, chief executive of Infraharta or interested person connected with a director, major shareholder, chief executive
LAT	: Loss after taxation
LBT	: Loss before taxation
Listing Requirements	: Main Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time
LPD	: 11 April 2025, being the latest practicable date prior to this Announcement

APPENDIX I – DEFINITIONS

LPS		:	Loss per Share
Maximum Scenario		:	Assuming full granting and exercise of the SIS Options pursuant to the maximum allowable amount under the SIS, prior to the implementation of the Proposed Private Placement
Minimum Scenario		:	Assuming none of the SIS Options are granted and/or exercised prior to the implementation of the Proposed Private Placement
NA		:	Net assets
Previous Placement	Private	:	Private placement of 34,423,000 placement shares to third-party investors, which was completed on 23 January 2025
Placement Shares		:	Up to 47,839,300 new Shares to be issued pursuant to the Proposed Private Placement
Proposed Placement	Private	:	Proposed private placement of up to 10% of the total number of issued Shares to third party investors to be identified later and at an issue price to be determined later
Shareholders		:	Shareholders of the Company
SIS		:	The share issuance scheme of the Company which took effect on 18 December 2017 for a period of 5 years, which was subsequently extended for another 5 years to 17 December 2027
SIS Options or Options		:	Options granted under the SIS pursuant to the By-Laws where each option holder can subscribe for 1 new Share for every 1 SIS Option held
TA Securities or the Principal Adviser		:	TA Securities Holdings Berhad (197301001467 (14948-M))
VWAP		:	Volume-weighted average market price

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APPENDIX II – FURTHER INFORMATION

1. HISTORICAL FINANCIAL INFORMATION OF INFRAHARTA GROUP

	Unaudited		Audited		
	9-month FPE 31 December 2024	9-month FPE 31 December 2023	FYE 31 March 2024	FYE 31 March 2023	FYE 31 March 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	22,580	28,455	56,253	29,750	8,072
Cost of sales	(21,237)	(27,081)	(53,684)	(35,093)	(10,779)
GP / (GL)	1,343	1,374	2,569	(5,343)	(2,707)
Other income	144	176	591	197	121
Administrative expenses	(3,194)	(3,499)	(4,727)	(8,513)	(17,120)
Net allowance for expected credit losses	-	-	(8,053)	(8,907)	(14,191)
Operating loss	(1,707)	(1,949)	(9,620)	(22,566)	(33,897)
Finance income	11	12	14	15	482
Finance costs	(83)	(107)	(139)	(153)	(65)
Share in loss of equity accounted associate, net of tax	-	-	-	-	(3,492)
LBT	(1,779)	(2,044)	(9,745)	(22,704)	(36,972)
Taxation	28	(12)	(423)	(1,261)	(352)
LAT	(1,751)	(2,056)	(10,168)	(23,965)	(37,324)
LAT attributable to:					
- owners of the Company	(1,907)	(2,329)	(6,981)	(20,303)	(35,834)
- non-controlling interests	156	273	(3,187)	(3,662)	(1,490)
GP / (GL) margin (%)	5.95	4.83	4.57	(17.96)	(33.54)
LAT margin (%)	(7.75)	(7.23)	(18.08)	(80.55)	(462.39)
Weighted average no. of Shares in issue (‘000)	415,944	379,862	382,429	324,152	279,392
Basic LPS (sen)	(0.46)	(0.61)	(1.83)	(6.26)	(12.83)

Financial commentary**(a) 9-month FPE 31 December 2024 compared to 9-month FPE 31 December 2023**

The Group's revenue for the decreased by 20.65% to RM22.58 million as compared to the previous corresponding period. This was mainly contributed by various constructions and property development projects approaching completion stage during the 9-month FPE 31 December 2024.

Despite the decreased in revenue, the Group recorded a GP of RM1.34 million (GP margin: 5.95%) for the 9-month FPE 31 December 2024 as compared to a GP of RM1.37 million (GL margin: 4.83%) in the previous corresponding period.

The Group recorded a lower LAT of RM1.75 million for the 9-month FPE 31 December 2024 as compared to a LAT of RM2.06 million in the previous corresponding period. This was mainly due to the following:

- (i) absence of professional fee incurred in relation to the proposed joint venture arrangement as well as the Consortium Zenith Construction Sdn. Bhd. court case (9-month FPE 31 December 2023: RM0.11 million)
- (ii) downward adjustment of depreciation by RM0.20 million to RM0.59 million due to the closure of the Sabah's branch office and a few motor vehicles being full depreciated (9-month FPE 31 December 2023: RM0.79 million); and
- (iii) decrease in director fees and GST payable by RM0.16 million to RM0.55 million (9-month FPE 31 December 2023: RM0.71 million).

(b) FYE 31 March 2024 compared to FYE 31 March 2023

The Group's revenue for the FYE 31 March 2024 increased by 89.09% to RM56.25 million as compared to the previous financial year. This was mainly due to better progress of several key projects as compared to FYE 31 March 2023, such as the Jonker Walk 2 project in Melaka, the construction of a new road linking Felda Bukit Jalor to Gemas in Negeri Sembilan, design and build slope repair projects spanning 5.9km to 6.0km at Jalan Kiulu, Tuaran Sabah and slope repair projects spanning 0.6km to 1.0km at Jalan Kiau Toburi Paka, Kota Belud in East Malaysia.

In line with the increase in revenue, the Group recorded a GP of RM2.57 million (GP margin of 4.57%) in the FYE 31 March 2024 as compared to a GL of RM5.34 million (GL margin of 17.96%) in the previous financial year.

The Group recorded a LAT of RM10.17 million for the FYE 31 March 2024 as compared to a LAT of RM23.97 million in the previous financial year. This was mainly due to the following:

- (i) absence of impairment loss on goodwill on consolidation recognised in FYE 31 March 2024 (FYE 31 March 2023: RM1.27 million);
- (ii) downward adjustment to revenue recognised in FYE 31 March 2023 totalled RM8.72 million, primarily resulting from the mutual termination of Package 2 of the Penang Mega Infrastructure Project in December 2021;
- (iii) allowance for expected credit losses recognised of approximately RM8.05 million (FYE 2023: RM9.14 million) attributable to long outstanding trade receivables carried forward from terminated projects in previous years; and
- (iv) professional fee incurred on preliminary evaluation conducted to assess the potential feasibility of converting the 26-storey Greenview condominium project within the property development segment in FYE 2023 amounted to RM1.24 million.

(c) FYE 31 March 2023 compared to FYE 31 March 2022

The Group's revenue for the FYE 31 March 2023 increased by RM21.68 million or 268.56% to RM29.75 million from RM8.07 million in the previous financial year. The increase in revenue was mainly due to the increase in revenue from construction segment by RM15.49 million to RM23.56 million (FYE 31 March 2022: RM8.07 million) arising from several new construction projects secured by the Group during the year. Further, the Group also generated new revenue stream amounting to RM6.15 million from its property development business following the sale of development properties (FYE 31 March 2022: nil).

Despite the increase in revenue, the Group recorded a GL of RM5.34 million (GL margin of 17.96%) for the FYE 31 March 2023 as compared to a GL of RM2.71 million (GL margin of 33.52%) in the previous financial year. This was mainly due to the downward adjustments of revenue recognised of approximately RM8.72 million during the FYE 31 March 2023 (FYE 2022: RM2.24 million) as a result of the mutual termination of Package 2 of the Penang Mega Infrastructure Project in December 2021.

The Group recorded a LAT of RM23.97 million for the FYE 31 March 2023 as compared to a LAT of RM37.32 million in the previous financial year. The decrease in LAT was mainly due to the following:

- (i) decrease in administrative expenses by RM8.61 million to RM8.51 million (FYE 31 March 2022: RM17.12 million) mainly attributable to the absence of the fair value loss on investment in associate (FYE 31 March 2022: RM9.94 million); and
- (ii) decrease in net allowance for expected credit losses by RM5.28 million to RM8.91 million (FYE 31 March 2022: RM14.19 million).

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