

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

### **PROPOSED PRIVATE PLACEMENT**

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(For consistency, the abbreviations used throughout this announcement shall have the same defined in the announcement dated 23 April 2025 in relation to the Proposed Private Placement, where applicable, unless stated otherwise or defined herein.)

Reference is made to the announcement dated 23 April 2025 (“**First Announcement**”) and 9 May 2025 (“**Second Announcement**”).

On behalf of the Board, TA Securities wishes to announce the following additional information in relation to the Proposed Private Placement, as underlined below:

#### **1. EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY THE COMPANY SINCE 2020**

Save as disclosed in Section 2.6 of the First Announcement and as below, the Company has not undertaken any other equity fund-raising exercises since 2020:

**(a) Proceeds raised from the SIS which took effect on 18 December 2017 (“Issuance of SIS Options”)**

On 22 November 2017, the Company had obtained its’ Shareholders’ approval at an extraordinary general meeting, for the establishment and implementation of the SIS. The SIS was subsequently implemented and took effect on 18 December 2017. The SIS is effective for a period of 5 years from the date of implementation in accordance with the terms of the By-Laws. On 14 July 2022, the Board announced that the SIS was extended for a further period of 5 years to 17 December 2027.

As at the LPD, 3,000,000 SIS Options have been granted and exercised into new Shares, raising total gross proceeds of approximately RM0.84 million.

The said proceeds have been fully utilised for the Group’s working capital, including payment to relevant professionals and authorities in the ordinary course of business as well as general administrative and operating expenses such as salaries, statutory contributions for staff, office rental, printing and stationeries, utilities, bank charges, disbursement and upkeep of office and office equipment.

**(b) Proceeds raised from the private placement of up to 20% of the issued Shares of the Company, completed on 30 December 2021 (“Private Placement 2021”)**

On 30 December 2021, the Company has completed the Private Placement 2021 which involved an issuance of 53,196,600 new Shares, raising total gross proceeds of approximately RM11.82 million.

The 2021 Private Placement was undertaken pursuant to the approval obtained from the Company’s Shareholders at the annual general meeting convened on 28 September 2021, authorising the Board to allot and issue new Shares not exceeding 20% of the issued share capital of the Company pursuant to Sections 75 and 76 of the Act.

Subsequently on 25 August 2022, the Company obtained its Shareholders’ approval at an extraordinary general meeting, for the ratification in respect of the variation in the utilisation of proceeds of RM11.49 million to the Group’s other construction projects, a property development project and working capital (“**Ratification for the 2021 Private Placement Proceeds**”).

As at the LPD, the total gross proceeds from the 2021 Private Placement have been fully utilised as follows:

| Description                                   | (1) Amount utilised<br>(RM'000) |
|---|---------------------------------|
| (i) Funding for:                              |                                 |
| (a) construction projects                     | 3,904                           |
| (b) property development project              | 6,184                           |
| (ii) Working capital                          | (2) 1,577                       |
| (iii) Expenses for the Private Placement 2021 | 155                             |
| <b>Total</b>                                  | <b>11,820</b>                   |

Notes:

(1) Based on the Company's announcement dated 29 October 2021 in relation to the Private Placement 2021, approximately RM11.67 million of the gross proceeds were intended to be utilised by the Group to undertake the following construction projects:

- (i) slope repair works at Lok Kawi, Papar, Sabah ("**Lok Kawi Project**");
- (ii) road maintenance works at Sandakan, Sabah ("**Sandakan Project**"); and
- (iii) construction of 1 block condominium with car park at Penampang, Sabah ("**Penampang Project**").

Subsequent to the Ratification for the Private Placement 2021, the gross proceeds were utilised for the following projects and working capital:

- (i) Lok Kawi Project;
- (ii) construction of a 9.87km road connecting FELDA Bukit Jalor to Gemas, Negeri Sembilan ("**Gemas Project**");
- (iii) construction of the basement and lower ground work for an integrated development with residences, hotels, retail shops, offices and spaces in Melaka ("**Melaka Project**");
- (iv) construction of a mosque in Petaling District, Selangor ("**Subang Project**"); and
- (ii) development and construction of 26-storey condominium and 4-storey multi-level car park in Seberang Jaya, Penang ("**Pavillion Residence Project**").

Refer to **Section 1(e)** of this announcement for further details.

(2) Working capital for, among others, staff cost, upkeep and maintenance of office and office equipment as well as general administrative and operating expenses such as office rental and utilities.

**(c) Proceeds raised from the issuance of up to 600,000,000 new 2% cumulative redeemable convertible preference shares ("RCPS") in the Company at an issue price of RM0.10 each ("Issuance of RCPS")**

On 11 December 2020, the Company obtained its Shareholders' approval at an extraordinary general meeting, for the Issuance of RCPS to Advance Opportunities Fund and Advance Opportunities Fund I. As set out in the Company's circular to shareholders dated 19 November 2020, the Issuance of RCPS was expected to raise gross proceeds of up to RM60.0 million.

For the period from 22 December 2020 until 22 December 2023, the Company had issued a total of 165,000,000 RCPS pursuant to the Issuance of RCPS (which were subsequently converted into 120,347,119 Shares), raising total gross proceeds of RM16.50 million ("**Actual Proceeds**"). The Issuance of RCPS had expired on 22 December 2023.

As at the LPD, the said gross proceeds from the Issuance of the RCPS have been fully utilised as follows:

| Description                             | Amount utilised<br>(RM'000) |
|---|-----------------------------|
| (i) Funding for <sup>(1)</sup> :        |                             |
| (a) construction projects               | 10,236                      |
| (b) property development project        | 2,598                       |
| (ii) Working capital                    | <sup>(2)</sup> 1,952        |
| (iii) Expenses for the Issuance of RCPS | 1,714                       |
| <b>Total</b>                            | <b>16,500</b>               |

Notes:

- (1) Based on the Company's announcement dated 26 December 2023 and the Company's circular to shareholders dated 19 November 2020, approximately RM12.83 million from the Actual Proceeds raised from the Issuance of RCPS were allocated to fund the operations of its construction business segment including, amongst others, payment to contractors, suppliers, consultants as well as the relevant authorities in the ordinary course of business.

On 26 December 2023, the Company announced the variation of approximately RM2.60 million from the Actual Proceeds to be utilised its property development business ("**Variation**"). For information, the Variation sum amount represents 15.75% of the Actual Proceeds. The Variation was not subject to any approvals from Bursa Securities or shareholders of the Company pursuant to Paragraph 8.22 of the Listing Requirements of Bursa Securities as the amount of the Variation is less than 25% of the Actual Proceeds.

Refer to **Section 1(e)** of this announcement for further details.

- (2) Working capital for, among others, payment to relevant professionals in the ordinary course of business as well as general administrative and operating expenses such as salaries, statutory contributions for staff, office rental and utilities.

**(d) Proceeds raised from Previous Private Placement**

On 23 January 2025, the Company has completed the Previous Private Placement which involved an issuance of a total of 34,423,000 new Shares, raising total proceeds of approximately RM4.36 million.

The Previous Private Placement was undertaken pursuant to the approval obtained from the Company's Shareholders at the annual general meeting convened on 29 August 2023, authorising the Board to allot and issue new Shares not exceeding 20% of the issued share capital of the Company pursuant to Sections 75 and 76 of the Act.

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As at the LPD, the gross proceeds raised from the Previous Private Placement have been fully utilised as follows:

| Description   | Amount utilised<br>(RM'000) |
|---|-----------------------------|
| (i) Funding for:<br>(a) construction projects<br>(b) property development project | 2,532<br>450                |
| (ii) Working capital  | <sup>(1)</sup> 1,246        |
| (iii) Expenses for the Previous Private Placement                                 | 132                         |
| <b>Total</b>  | <b>4,360</b>                |

Note:

- (1) Working capital for, among others, general administrative and operating expenses such as salaries, statutory contributions for staff, office rental, utilities and upkeep of office and office equipment.

Refer to **Section 1(e)** of this announcement for further details of the utilisation of the proceeds raised from the Previous Private Placement.

The Company did not utilise the proceeds raised from Issuance of SIS Options, Private Placement 2021, Issuance of RCPS and Previous Private Placement, on any liquidated ascertained damages of its construction and property development projects.

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(e) **Details of the Group's construction projects and property development project and the utilisation of gross proceeds raised from the Private Placement 2021, Issuance of RCPS and Previous Private Placement**

(i) **Construction projects**

| <b>Name of project with description</b>   | <b>Main contractor /Sub-contractor<sup>(1)</sup></b> | <b>Contract value (RM'000)</b> | <b>Total contract cost incurred as at the LPD (RM'000)</b> | <b>Commencement date / Completion date</b> | <b>Percentage of completion as at the LPD</b> | <b>Actual utilisation from Private Placement 2021 (RM'000)</b> | <b>Actual utilisation from Issuance of RCPS (RM'000)</b> | <b>Actual utilisation from Previous Private Placement (RM'000)</b> |
|---|--|--------------------------------|--|--|---|--|--|--|
| <u>Lok Kawi Project</u><br>Slope repair works at Lok Kawi, Papar, Sabah   | Sancity Co   | 3,560                          | 3,473  | August 2021 / Completed in July 2023       | 100%  | 167  | -  | -  |
| <u>Gemas Project</u><br>Construction of a 9.87km road connecting FELDA Bukit Jalor to Gemas, Negeri Sembilan  | KCJ Engineering Sdn Bhd                              | 45,250                         | 40,351   | December 2021 / Completed in March 2025    | 91% <sup>(2)</sup>                            | 3,000  | 1,430  | 469  |
| <u>Melaka Project</u><br>Construction of the basement and lower ground work for an integrated development with residences, hotels, retail shops, offices and spaces in Melaka | Sheng Tai Impression Sdn Bhd                         | 20,973                         | 13,091   | February 2022 / <sub>-(3)</sub>            | -(3)  | 438  | 1,173  | -  |
| <u>Subang Project</u><br>Construction of a mosque in Petaling District, Selangor  | Twinity Enterprise Sdn Bhd                           | 13,030                         | 570  | January 2022 / <sub>-(4)</sub>             | -(4)  | 299  | -  | -  |

| Name of project with description   | Main contractor /Sub-contractor <sup>(1)</sup> | Contract value (RM'000) | Total contract cost incurred as at the LPD (RM'000) | Commencement date / Completion date       | Percentage of completion as at the LPD | Actual utilisation from Private Placement 2021 (RM'000) | Actual utilisation from Issuance of RCPS (RM'000) | Actual utilisation from Previous Private Placement (RM'000) |
|--|--|-------------------------|---|---|--|---|---|---|
| <u>LRT3 Project</u><br>Construction and completion of light rail transit line 3 from Bandar Utama to Johan Setia   | Reaplite Industry Sdn Bhd                      | 100,000                 | 30,180  | March 2019 /<br>_(5)                      | _(5)                                   | -   | 1,585   | -   |
| <u>P2 Project</u><br>Penang Major Roads & Third Link Package 2-Ayer Itam Lebuhraya Tun Dr. Lim Chong Eu bypass   | Consortium Zenith Construction Sdn Bhd         | 815,000                 | 19,850  | August 2018 /<br>_(6)                     | _(6)                                   | -   | 6,048   | -   |
| <u>Penampang Project</u><br>Slope repair works in Penampang, Sabah focusing on design and build elements   | Bestajaya Sdn Bhd                              | 11,010                  | 10,512  | May 2022 /<br>Completed in April 2024     | 99% <sup>(2)</sup>                     | -   | -   | 813   |
| <u>Kota Belud Project</u><br>Slope repair works in Kota Belud, Sabah focusing on design and build including supply of materials, labor, machinery, equipment and fabrication works | AML Jutamas Sdn Bhd                            | 19,390                  | 18,162  | July 2022 /<br>Completed in July 2024     | 96% <sup>(2)</sup>                     | -   | -   | 550   |
| <u>Tuaran Project</u><br>Slope repair works in Tuaran, Sabah focusing on design and build elements   | Wijaya Daya Sdn Bhd                            | 10,200                  | 8,888   | November 2021 /<br>Completed in July 2024 | 90% <sup>(2)</sup>                     | -   | -   | 700   |
| <b>Total</b>   |  | <b>1,038,413</b>        | <b>145,077</b>                                      |   |  | <b>3,904</b>  | <b>10,236</b>                                     | <b>2,532</b>  |

Notes:

- (1) The Group is the sub-contractor for all these projects except for the Melaka Project where the Group was the main contractor.
- (2) These projects were deemed completed following full certification of all the work done required under the respective projects. However, the percentage of completion of these projects was not 100% due to pending finalisation of accounts by the Group's main contractor.
- (3) The Melaka Project was terminated on 13 January 2025 due to Sheng Tai Impression Sdn Bhd ("Sheng Tai") failing to employ an independent quantity surveyor to certify the works completed by Infraharta as required under the terms of contract. These completed works include, among others, earthworks, reinforced concrete structures, sheet piling and environmental management planning. As at the LPD, the cost of works completed by Infraharta have been partially recovered. The Company does not intend to initiate any legal action as it is currently in discussion with Sheng Tai to settle the remaining outstanding payment.
- (4) The Subang Project was mutually terminated on 9 February 2023 due to a default in payment by the said project's main contractor. As at the LPD, the cost of works completed by Infraharta have been partially recovered. These completed works include, among others, preliminary construction works (such as site clearing, site survey, soil survey, construction planning, earthworks, designing and insurance). A letter of demand has been issued through its legal counsel to pursue the remaining outstanding payment.
- (5) The LRT3 Project was mutually terminated on 15 November 2021 due to a default in payment by the said project's main contractor. The Company had completed works include, among others, supply of labour, material, machinery and tools for the casting of pre-stressed pre-tensioned beams. As at the LPD, the Company has recovered most of the cost related to the completed works. The Company does not intend to initiate any legal action as the main contractor has expressed its intention to settle the remaining outstanding balance.
- (6) The P2 Project (Package 2 of the Penang Mega Infrastructure Project) was mutually terminated on 29 December 2021. Subsequent to the termination of P2 Project, the Company had engaged an independent construction claim consultant to perform an assessment on the fair amount of cumulative work done for the terminated contract. The assessment had given rise to a revenue reversal for the reporting period prior to FYE 31 March 2023, of RM8.72 million from the cumulative revenue recognised. This resulted in a downward adjustment of RM8.72 million to the Group's revenue recognised in FYE 31 March 2023.

**(ii) Property development project**

| Name of project with description   | Estimated gross development cost (RM'000) | Estimated gross development value (RM'000) | Commencement date / Completion date | Percentage of completion as at the LPD | Gross development costs incurred as at LPD (RM'000) | Percentage of units sold as at the LPD | Actual utilisation from Private Placement 2021 (RM'000) | Actual utilisation from Issuance of RCPS (RM'000) | Actual utilisation from Previous Private Placement (RM'000) |
|--|---|--|-------------------------------------|--|---|--|---|---|---|
| <u>Pavilion Residence Project</u><br>26-storey residential building project in Seberang Perai Tengah, Penang | 44,000                                    | 49,000                                     | December 2021/ Jan 2025             | 90% <sup>(1)</sup>                     | 36,533  | 54%                                    | 6,184   | 2,598   | 450   |
| <b>Total</b>   | <b>44,000</b>                             | <b>49,000</b>                              |                                     |  |   |  | <b>6,184</b>  | <b>2,598</b>                                      | <b>450</b>  |

Note:

- (1) The project was deemed completed following full certification of all the work done required.

## 2. UTILISATION OF PROCEEDS

Further to Section 3 of the First Announcement, 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 <sup>(1)</sup>  | 85                        | 2,230                     | 2,562                     |
| Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office <sup>(2)</sup> | 15                        | 393                       | 452                       |
| <b>Total</b>  |                           | <b>2,623</b>              | <b>3,014</b>              |

Notes:

(1) The details of the trade payables aging analysis of the Group as at LPD are as follows:

|                | Within credit term (RM'000) | Overdue              |                     |                    |
|----------------|-----------------------------|----------------------|---------------------|--------------------|
|                |                             | 1 - 30 days (RM'000) | 31-60 days (RM'000) | > 61 days (RM'000) |
| Trade payables | 10                          | 152                  | 115                 | 4,708              |

The Group's trade payables credit term range between 30 to 60 days. As at LPD, trade payables which have exceeded credit terms amount to RM4.98 million. However, the overdue amount is non-interest bearing.

For information, the details of the trade receivables aging analysis of the Group as at 31 March 2024 and subsequent collection up to the LPD are as follows:

|   | Within credit term (RM'000) | Overdue              |                     |                    |
|---|-----------------------------|----------------------|---------------------|--------------------|
|   |                             | 1 - 30 days (RM'000) | 31-60 days (RM'000) | > 61 days (RM'000) |
| Trade receivables as at 31 March 2024 <sup>(a)</sup>  | 5,164                       | -                    | 248                 | 37,750             |
| Subsequent collections as at the LPD                  | 4,026                       | -                    | 192                 | 4,052              |
| <b>Trade receivables after subsequent collections</b> | <b>1,138</b>                | <b>-</b>             | <b>56</b>           | <b>33,698</b>      |
|   |                             |                      |                     |                    |



Note:

(a) Trade receivables

|   | <b>FYE 31<br/>March 2024<br/>(RM'000)</b> | <b>FYE 31<br/>March 2023<br/>(RM'000)</b> | <b>FYE 31<br/>March 2022<br/>(RM'000)</b> |
|---|---|---|---|
| <u>Trade receivables<sup>(i)</sup></u>                                  | <u>43,162</u>                             | <u>37,761</u>                             | <u>29,847</u>                             |
| <u>Less:</u>  |   |   |   |
| <u>Allowance for lifetime<br/>expected credit losses<sup>(ii)</sup></u> | <u>(26,631)</u>                           | <u>(23,837)</u>                           | <u>(15,955)</u>                           |
| <b><u>Net trade receivables</u></b>                                     | <b><u>16,531</u></b>                      | <b><u>13,924</u></b>                      | <b><u>13,892</u></b>                      |
| <u>Revenue</u>  | <u>56,253</u>                             | <u>29,750</u>                             | <u>8,072</u>                              |
| <u>Trade receivables turnover<br/>period (days)</u>                     | <u>107</u>                                | <u>171</u>                                | <u>628</u>                                |

Sub-notes:

- (i) Trade receivables exclude retention sums for construction contract works of approximately RM6.80 million, RM9.73 million and RM11.57 million for the FYE 31 March 2024, FYE 31 March 2023 and FYE 31 March 2022 respectively.
- (ii) The Group applied the simplified approach to measure the loss allowance at lifetime expected credit losses ("ECL"). In determining the ECL of individual trade receivables and contract assets, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case.

The Group will continue to monitor and assess the recoverability of outstanding receivables and recognise additional allowance for lifetime ECL as necessary.

- (2) 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.

In the event that the actual expenses incurred from the working capital are higher than the said proceeds, the deficit will be funded via internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

At this juncture, the proceeds to be raised from the Proposed Private Placement are expected to be adequate to supplement the Group's working capital requirements.

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### 3. STATUS OF PROJECTS UNDERTAKEN BY THE GROUP DURING THE FYE 31 MARCH 2024

Further to Section 5.4.1(iii) of the First Announcement, the details of the 8 projects with total contract sum of RM123.30 million undertaken by the Group during the FYE 31 March 2024 are as follows:

| Name of project with description   | Main contractor /Sub-contractor <sup>(1)</sup> | Contract value (RM'000) | Total contract cost incurred as at the LPD (RM'000) | Commencement date / Estimated completion date | Percentage of completion as at the LPD |
|--|--|-------------------------|---|---|--|
| <u>Sandakan Project</u><br>Maintenance works at Dandulit and associated roads in Sungai Manila area, Sandakan  | Wijaya Daya Sdn Bhd                            | 6,430                   | 6,118   | Oct 2021 / Completed in Oct 2024              | 96% <sup>(2)</sup>                     |
| <u>Kota Belud Project</u><br>Slope repair works in Kota Belud, Sabah focusing on design and build including supply of materials, labor, machinery, equipment and fabrication works | AML Jutamas Sdn Bhd                            | 19,390                  | 18,162  | July 2022 / Completed in July 2024            | 96% <sup>(2)</sup>                     |
| <u>Tuaran Project</u><br>Slope repair works in Tuaran, Sabah focusing on design and build elements   | Wijaya Daya Sdn Bhd                            | 10,200                  | 8,888   | November 2021 / Completed in July 2024        | 90% <sup>(2)</sup>                     |
| <u>Gemas Project</u><br>Construction of a 9.87km road connecting FELDA Bukit Jalor to Gemas, Negeri Sembilan   | KCJ Engineering Sdn Bhd                        | 45,250                  | 40,351  | December 2021 / Completed in March 2025       | 91% <sup>(2)</sup>                     |
| <u>Melaka Project</u><br>Construction of the basement and lower ground work for an integrated development with residences, hotels, retail shops, offices and spaces in Melaka      | Sheng Tai Impression Sdn Bhd                   | 20,973                  | 13,091  | Feb 2022 / <sub>-(3)</sub>                    | .. <sup>(3)</sup>                      |

| Name of project with description   | Main contractor /Sub-contractor <sup>(1)</sup> | Contract value (RM'000) | Total contract cost incurred as at the LPD (RM'000) | Commencement date / Estimated completion date | Percentage of completion as at the LPD |
|--|--|-------------------------|---|---|--|
| <u>Video Surveillance Project</u><br>Video Surveillance system for Rapid Transit System Project between Malaysia and Singapore | DOM Industries (M) Sdn Bhd                     | 6,480                   | 3,176   | April 2023 / Sept 2026                        | 56%                                    |
| <u>Penampang Project</u><br>Slope repair works in Penampang, Sabah focusing on design and build elements                       | Bestajaya Sdn Bhd                              | 11,010                  | 10,512  | May 2022 / Completed in April 2024            | 99% <sup>(2)</sup>                     |
| <u>Lok Kawi Project</u><br>Slope repair works at Lok Kawi, Papar, Sabah  | Sancity Co                                     | 3,560                   | 3,473   | August 2021 / Completed in July 2023          | 100%                                   |
| <b>Total</b>   |  | <b>123,293</b>          | <b>103,771</b>                                      |   |  |

Notes:

- (1) The Group is the sub-contractor for all these projects except for the Melaka Project where the Group was the main contractor.
- (2) These projects were deemed completed following full certification of all the work done required under the respective projects. However, the percentage of completion of these projects was not 100% due to pending finalisation of accounts by the Group's main contractor.
- (3) The Melaka Project was terminated on 13 January 2025 due to Sheng Tai Impression Sdn Bhd ("Sheng Tai") failing to employ an independent quantity surveyor to certify the works completed by Infraharta as required under the terms of contract. These completed works include, among others, earthworks, reinforced concrete structures, sheet piling and environmental management planning. As at the LPD, the cost of works completed by Infraharta have been partially recovered. The Company does not intend to initiate any legal action as it is currently in discussion with Sheng Tai to settle the remaining outstanding payment.

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#### 4. HISTORICAL FINANCIAL INFORMATION OF INFRAHARTA GROUP

Further to the financial commentary of the First Announcement, further details are set out as below:

|   | Unaudited                          |                                    | Audited              |                      |                      |
|---|------------------------------------|------------------------------------|----------------------|----------------------|----------------------|
|   | 9-month FPE<br>31 December<br>2024 | 9-month FPE<br>31 December<br>2023 | FYE 31<br>March 2024 | FYE 31<br>March 2023 | FYE 31<br>March 2022 |
|   | (RM'000)                           | (RM'000)                           | (RM'000)             | (RM'000)             | (RM'000)             |
| <b>(1) LAT attributable to:</b>                                       | <b>(1,751)</b>                     | <b>(2,056)</b>                     | <b>(10,168)</b>      | <b>(23,965)</b>      | <b>(37,324)</b>      |
| - 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)              |
| Net cash used in operating activities                                 | (1,480)                            | (1,008)                            | (2,124)              | (2)(14,359)          | (3)(15,848)          |
| Net cash generated from/ (used in) investing activities               | 24                                 | (3)                                | (18)                 | 5,546                | 4,522                |
| Net cash generated from financing activities                          | 1,314                              | 294                                | 2,125                | 3,994                | 10,779               |
| <b>Net decrease in cash and cash equivalents</b>                      | <b>(142)</b>                       | <b>(717)</b>                       | <b>(17)</b>          | <b>(4,819)</b>       | <b>(547)</b>         |
| Cash and cash equivalents at beginning of financial year              | 1,022                              | 1,039                              | 1,039                | 5,858                | 6,405                |
| <b>Cash and cash equivalents at the end of financial period/ year</b> | <b>880</b>                         | <b>322</b>                         | <b>1,022</b>         | <b>1,039</b>         | <b>5,858</b>         |

Notes:

- (1) Despite of the continuous progress/ completion of the projects, the Group has incurred a LAT mainly due to cost overruns in construction projects primarily arose from scope variation by the clients and increase in material and labour costs.
- (2) The Group recognised a total impairment of goodwill of RM1.27 million for the FYE 31 March 2023 due to the following:
- (i) An impairment loss of RM0.92 million was recognised on Greenview Pavilion Sdn Bhd ("GPSB") as the carrying amount of RM3.00 million exceeded its recoverable amount of RM2.08 million.
- The recoverable amount of GPSB cash-generating unit was determined based on its value in use, based on the following assumptions:
- (a) Cash flows projections for the project undertaken for the next 2 years (2022: 3 years) based on past experience, actual operating results and the estimated gross property development profits; and
- (b) Discount rate of 8.93% (2022: 9.03%), reflecting the industry specific weighted average cost of capital.
- (ii) An impairment loss of RM0.35 million recognised on Amcap Solutions Sdn Bhd as it is not expected to be profitable based on its current business plan. Accordingly, the recoverable amount is determined to be nil.
- (3) The Group recognised a bad debt written off of RM1.82 million for the FYE 31 March 2022, being amount due from Kumpulan Voir Sdn Bhd, as the Group deemed the balance unrecoverable following the disposals of its equity interests in Kumpulan Voir Sdn Bhd.

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### **9-month FPE 31 December 2024 compared to 9-month FPE 31 December 2023**

Our Group's cash and cash equivalent increased by 173.29% to RM0.88 million for the 9-month FPE 31 December 2024. This was mainly attributed by the following:

- (i) net cash generated from financing activities of RM1.31 million (9-month FPE 31 December 2023: RM0.29 million), mainly due to proceeds from issuance of new Shares pursuant to the Previous Private Placement; and
- (ii) offset by the net cash used in operating activities of RM1.48 million (9-month FPE 31 December 2023: RM1.01 million), mainly due to decrease in trade and other payables and offset by net decrease in inventories and net positive changes in contract assets/liabilities.

### **FYE 31 March 2024 compared to FYE 31 March 2023**

Our Group's cash and cash equivalent remained consistent (decreased by 1.64% to RM1.02 million) for the FYE 31 March 2024. This was mainly attributed by the following:

- (i) net cash used in operating activities of RM2.12 million (FYE 31 March 2023: RM14.36 million) mainly due to net negative changes in contract assets/liabilities and offset by increase in trade and other payables; and
- (ii) offset by net cash generated from financing activities of RM2.12 million (FYE 31 March 2023: RM3.99 million) mainly due to proceeds from issuance of new Shares pursuant to the Previous Private Placement and proceeds from the issuance of RCPS pursuant to the Issuance of RCPS. This is offset by the repayment of lease liabilities and trade finance.

### **FYE 31 March 2023 compared to FYE 31 March 2022**

Our Group's cash and cash equivalent decreased by 82.26% to RM1.04 million for the FYE 31 March 2023. This was mainly attributed by the following:

- (i) net cash used in operating activities of RM14.36 million, (FYE 31 March 2022: RM15.85 million) mainly due to operating loss;
- (ii) offset by net cash generated from investing activities of RM5.55 million (FYE 31 March 2022: RM4.52 million) mainly due to proceeds from disposal of investment in Kumpulan Voir Sdn Bhd and offset by net cash outflows on acquisitions of subsidiaries; and
- (iii) further offset by net cash generated from financing activities of RM3.99 million (FYE 31 March 2022: RM10.78 million) mainly due to proceeds from the issuance of RCPS pursuant to the Issuance of RCPS.

## **5. INFORMATION ON THE CONSORTIUM ZENITH CONSTRUCTION SDN BHD'S COURT CASE**

Further Appendix II (a) (i) of the First Announcement, details of the Consortium Zenith Construction Sdn Bhd court case is set out below.

On 29 December 2021, subsidiaries of the Company, Buildmarque Construction Sdn Bhd ("BMSB") and Infraharta Sdn Bhd ("ISB"), a wholly owned subsidiary of the Company, entered into a deed of rescission and termination to mutually agree to terminate the contract with Consortium Zenith Construction Sdn Bhd ("CZC") for the construction of a Penang highway project ("P2 Project") which was contracted at a sum of RM815 million ("the Deed").

Under the terms of the deed of rescission and termination, the payments for the progress claims on the cumulative work done performed up to date of deed shall be by way of three equal half yearly instalments within six months from such progress claims being verified. As at the LPD, the negotiation to finalise the progress claims with CZC were halted due to the legal dispute stated below.

In the previous reporting period, an independent construction claim consultant was engaged by the Group to perform an assessment on the fair amount of cumulative work done for the terminated contract. This consultant possesses qualifications in Law, Quantity Surveying and Construction Project Management, and the relative experience as adjudicator and arbitrator for construction contract disputes. The assessment had given rise to a revenue reversal for the previous reporting period of RM8,722,000 from the cumulative revenue recognised previously.

On 22 May 2023, BMSB served a winding up Statutory Notice of Demand pursuant to Sections 465 and 466 of the Companies Act 2016 to CZC demanding for the payment of RM7,374,420 ("**Demanded Sum**") being the unpaid sum inclusive of interest calculated as at the date of the Notice due and owing by CZC to BMSB. In the event the Demanded Sum is not settled within the stipulated statutory time frame of 21 days after the service of the Notice, CZC shall be deemed to be unable to pay the Demanded Sum and a Winding-Up petition may be presented against CZC.

In response, CZC had on 7 June 2023 filed an injunction order to restrain BMSB from presenting a winding-up petition against CZC. On 12 June 2023, the High Court granted an Injunction order to restrain BMSB from presenting a winding-up petition against CZC.

Separately, on 17 August 2023, CZC served BMSB and ISB with a sealed writ of summons and statement of claim ("**Suit 443**") and sought BMSB to repay a sum of RM1,032,740 previously paid by CZC to BMSB pursuant to the Deed as it was caused by misrepresentation. BMSB and ISB had filed their defence and counter claim to seek CZC to pay them their entitlement of cumulative work done.

(Source: Infraharta Holdings Berhad's Annual Report for the FYE 31 March 2024)

On 9 August 2024, BMSB and ISB filed their re-amended defence and BMSB filed its amended counterclaim. Through the amended counterclaim, BMSB seeks for an order that CZC pays BMSB its entitlement under the Deed.

BMSB seeks to recover RM22,597,362.49 under the Deed which represents the total value of works carried out by BCSB for the P2 Project. CZC has filed its amended reply and defence on 13 August 2024.

Separately on 14 August 2024, CZC served ISB and Vizione Construction Sdn Bhd ("**VCSB**") with a sealed writ of summons and statement of claim ("**Suit 535**").

For context in relation to Suit 535, in August 2018, CZC had sub-contracted a part of the works for the P2 Project to BCSB. BCSB is an entity that is jointly owned by ISB and VCSB.

CZC alleges that it discovered irregularities in payments following the acquisition of a majority interest in CZC by ECK Development Sdn Bhd ("**ECK**") ("**Acquisition**"). Prior to the Acquisition, CZC made a payment of RM13,121,660 ("**Funds**") to ISB, which CZC contends were transferred under suspicious circumstances.

In Suit 535, CZC claims that:

- (a) ISB received the Funds wrongfully and are liable to return the same to CZC;
- (b) the transfer of the Funds is tainted with fraud and deceit;
- (c) ISB and VCSB conspired to injure CZC;
- (d) ISB has been unjustly enriched by receipt of the Funds; and
- (e) ISB is a constructive trustee over the Funds and is liable to account to CZC for the same.

On 18 October 2024, the Judge in Suit 443 allowed CZC's application to transfer Suit 443 to the Court hearing Suit 535. Suit 443 has been transferred to the High Court at Kuala Lumpur hearing Suit 535. As such, Suit 443 has been assigned with a new case number ("**Suit 763**").

On 19 November 2024, ISB has filed its defence to Suit 535.

(Source: Infraharta Holdings Berhad's Interim Financial Report for the 9-month FPE 31 December 2024)

On 9 April 2025, the Court heard oral submissions from the legal representatives of CZC and VCSB in relation to VCSB's application to strike out its name from Suit 535, where it is named as the second defendant. Following the hearing, the Court fixed 23 April 2025 to conduct a case management for both Suit 763 and Suit 535.

On 23 April 2025, the Court issued pre-trial directions. CZC was directed to file the agreed facts, issues to be tried, and case summaries by 23 June 2025. In addition, BCSB and ISB were also instructed to file their respective case summaries by the same date.

The Court is expected to issue further directions at the case management scheduled for 23 June 2025, including orders for the filing of the list of witnesses and other documents.

(Source: Management of Infraharta)

This announcement is dated 21 May 2025.