**INFRAHARTA HOLDINGS BHD ("INFRAHARTA" OR THE "COMPANY")**

**PROPOSED SHARE CAPITAL REDUCTION**

(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 reduction of up to RM105,500,000 of the issued share capital of Infraharta pursuant to Section 116 of the Act.

## 2. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of the issued share capital of the Company via the cancellation of the issued share capital which is lost or unrepresented by available assets of up to RM105.50 million pursuant to Section 116 of the Act.

The credit arising from the Proposed Share Capital Reduction would be utilised to set-off against the accumulated losses of the Company and the remaining balance (if any) will be credited to the retained earnings of the Company, which shall be utilised in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws as well as the Listing Requirements.

As at the LPD, the issued share capital of the Company is RM152,064,549 comprising 442,845,719 Infraharta Shares. The Company does not have any treasury shares. The Company does not have any outstanding convertible securities but there are up to 63,426,800 SIS Options that may be granted pursuant to the maximum allowable amount under the Company's existing SIS.

For information purpose, the Company had on 23 April 2025 announced that the Company proposed to undertake a Private Placement. On 26 May 2025, Bursa Securities had approved the listing and quotation of up to 47,839,300 Placement Shares to be issued pursuant to the Private Placement. The Private Placement may be completed before or after the Proposed Share Capital Reduction.

Notwithstanding the above, for illustrative purposes only, the pro forma effects of the Proposed Share Capital Reduction on the Company's and the Group's accumulated losses based on the latest audited consolidated financial statements of the Group for the FYE 31 March 2024 and the unaudited consolidated financial statements of the Group for the FYE 31 March 2025 are as follows:

| | Audited as at 31 March 2024 | | Unaudited as at 31 March 2025 | |
|---|---|---|---|---|
| | Company level | Group level | Company level | Group level |
| | RM | RM | RM | RM |
| Accumulated losses | (104,289,756) | (95,406,772) | (105,496,521) | (97,334,173) |
| Add:<br>Credit arising from the Proposed Share Capital Reduction | 105,500,000 | 105,500,000 | 105,500,000 | 105,500,000 |
| **Resultant retained earnings** | **1,210,244** | **10,093,228** | **3,479** | **8,165,827** |

Subject and subsequent to the approval of the Proposed Share Capital Reduction by the Shareholders at the forthcoming EGM, an order by the Court will be sought to confirm the Proposed Share Capital Reduction pursuant to Section 116 of the Act.

The effective date of the Proposed Share Capital Reduction will be the date of the lodgement of a sealed copy of the order of the Court with the Companies Commission of Malaysia confirming the cancellation of the share capital of the Company.

For avoidance of doubt, the Proposed Share Capital Reduction will not result in:

(i) Any adjustments to the reference share price of the Company;

(ii) Any changes in the total number of Shares in issue or the number of Shares held by the Shareholders;

(iii) Any payment to the Shareholders; and

(iv) Any cash outflow or change in the NA of Infraharta, save for the estimated expenses to be incurred in relation to the Proposed Share Capital Reduction which will be funded through internally generated funds.

## 3. RATIONALE FOR THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction will enable the Company and the Group to rationalise their financial positions by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and the financial position of the Company and the Group.

In addition, the reduction of accumulated losses is expected to enhance the credibility of both the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.

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## 4. EFFECTS OF THE PROPOSED SHARE CAPITAL REDUCTION

### 4.1 Share capital

The pro forma effects of the Proposed Share Capital Reduction on the issued share capital of the Company are set out below:

| | Minimum Scenario | | Maximum Scenario | |
|---|---|---|---|---|
| | No. of Shares | Share capital (RM) | No. of Shares | Share capital (RM) |
| Issued share capital as at the LPD | 442,845,719 | 152,064,549 | 442,845,719 | 152,064,549 |
| To be issued assuming full granting and/or exercise of SIS Options | - | - | 63,426,800 | (1)9,184,201 |
| | **442,845,719** | **152,064,549** | **506,272,519** | **161,248,750** |
| To be issued assuming full issuance of Placement Shares | - | - | 23,596,300 | (2)2,123,667 |
| | **442,845,719** | **152,064,549** | **529,868,819** | **163,372,417** |
| Reduction of issued share capital pursuant to the Proposed Share Capital Reduction | - | (105,500,000) | - | (105,500,000) |
| Estimated expenses for the Proposed Share Capital Reduction | - | (230,000) | - | (230,000) |
| **Issued share capital after the Proposed Share Capital Reduction** | **442,845,719** | **46,334,549** | **529,868,819** | **57,642,417** |

Notes:

(1) Assuming all the 63,426,800 SIS Options that may be further granted are fully granted and exercised into new Shares at an illustrative exercise price of RM0.09 per SIS Option, which represents a discount of approximately 10.00% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.10 and after accounting for the reversal of SIS Options reserve.

(2) Assuming the remaining 23,596,300 Placement Shares are fully issued at an illustrative issue price of RM0.09 per Placement Share, which represents a discount of approximately 10.00% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.10.

### 4.2 Substantial Shareholders' shareholdings

The Proposed Share Capital Reduction will not have any effect on the group structure and substantial Shareholders' shareholdings as it does not involve any issuance of new Shares.

### 4.3 NA and gearing

The pro forma effects of the Proposed Share Capital Reduction on the NA and gearing of the Group are as follows:

**<u>Minimum Scenario</u>**

| | | (I) | (II) |
|---|---|---|---|
| | **Audited as at 31 March 2024 (RM'000)** | **After subsequent events[(1)] (RM'000)** | **After (I) and the Proposed Share Capital Reduction[(2)] (RM'000)** |
| Share capital | 148,213 | 152,065 | 46,335 |
| Fair value reserve | (6,141) | (6,141) | (6,141) |
| (Accumulated losses) / retained earnings | (95,407) | (95,407) | 10,093 |
| **Shareholders' equity / NA** | **46,665** | **50,517** | **50,287** |
| Non-controlling interests | (3,688) | (3,688) | (3,688) |
| **Total equity** | **42,977** | **46,829** | **46,599** |
| No. of Shares in issue ('000) | 405,998 | 442,846 | 442,846 |
| NA per Share (RM) | 0.11 | 0.11 | 0.11 |
| Total borrowings (RM'000) | 755 | 755 | 755 |
| Gearing ratio (times) | 0.02 | 0.02 | 0.02 |

<u>Notes:</u>

(1) After accounting for the following:

(i) 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; and

(ii) issuance of 24,243,000 Placement Shares at an issue price of RM0.0825 per Placement Share pursuant to the Private Placement and after deducting expenses incurred for the Private Placement of RM0.11 million.

(2) After cancellation of approximately RM105.50 million from the share capital of the Company pursuant to the Proposed Share Capital Reduction and after deducting estimated expenses to be incurred in relation to the Proposed Share Capital Reduction of approximately RM0.23 million.

**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 assuming the full issuance of Placement Shares[(3)] (RM'000) | (IV) After (III) and the Proposed Share Capital Reduction[(4)] (RM'000) |
|---|---|---|---|---|---|
| Share capital | 148,213 | 152,065 | 161,249 | 163,372 | 57,642 |
| Fair value reserve | (6,141) | (6,141) | (6,141) | (6,141) | (6,141) |
| (Accumulated losses) / retained earnings | (95,407) | (95,407) | (98,883) | (98,883) | 6,617 |
| **Shareholders' funds / NA** | **46,665** | **50,517** | **56,225** | **58,348** | **58,118** |
| Non-controlling interests | (3,688) | (3,688) | (3,688) | (3,688) | (3,688) |
| **Total equity** | **42,977** | **46,829** | **52,537** | **54,660** | **54,430** |
| No. of Shares in issue ('000) | 405,998 | 442,846 | 506,273 | 529,869 | 529,869 |
| NA per Share (RM) | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| Total borrowings (RM'000) | 755 | 755 | 755 | 755 | 755 |
| Gearing ratio (times) | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 |

Notes:

(1) After accounting for the following:
   - (i) 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; and
   - (ii) issuance of 24,243,000 Placement Shares at an issue price of RM0.0825 per Placement Share pursuant to the Private Placement and after deducting expenses incurred for the Private Placement of RM0.11 million.

(2) Assuming all the 63,426,800 SIS Options that may be further granted are fully granted and exercised into new Shares at an illustrative exercise price of RM0.09 per SIS Option, which represents a discount of approximately 10.00% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.10 and after accounting for the reversal of SIS Options reserve.

(3) Assuming the remaining 23,596,300 Placement Shares are fully issued at an illustrative issue price of RM0.09 per Placement Share, which represents a discount of approximately 10.00% to the 5-day VWAP of Infraharta Shares up to the LPD of RM0.10.

(4) After cancellation of approximately RM105.50 million from the share capital of the Company pursuant to the Proposed Share Capital Reduction and after deducting estimated expenses to be incurred in relation to the Proposed Share Capital Reduction of approximately RM0.23 million.

### 4.4 Earnings and EPS

The Proposed Share Capital Reduction will not have any material effect on the earnings and EPS of the Group.

### 4.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities but there are up to 63,426,800 SIS Options which may be granted and exercised pursuant to the maximum allowable amount under the SIS. The Proposed Share Capital Reduction will not result in any adjustments to the number and/or exercise price of the SIS Options (if granted) pursuant to the by-laws of the SIS.

## 5. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, and subject to all required approvals being obtained, the Proposed Share Capital Reduction is expected to be completed by first quarter of 2026.

## 6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Share Capital Reduction is subject to the following being obtained:

(i) the approval from Shareholders at the forthcoming EGM;

(ii) an order of the Court pursuant to Section 116 of the Act for the Proposed Share Capital Reduction; and

(iii) the approvals / consents from any other relevant parties / authorities, if required.

The Proposed Share Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## 7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major Shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Share Capital Reduction.

## 8. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Share Capital Reduction, including but not limited to the rationale and financial effects of the Proposed Share Capital Reduction, is of the opinion that the Proposed Share Capital Reduction is in the best interest of the Company.

## 9. ADVISER

TA Securities has been appointed by the Company to act as the Principal Adviser for the Proposed Share Capital Reduction.

This Announcement is dated 3 July 2025.

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 includes any re-enactment thereof |
| **Announcement** | : | This announcement in relation to the Proposed Share Capital Reduction |
| **Board** | : | The Board of Directors of Infraharta |
| **Bursa Securities** | : | Bursa Malaysia Securities Berhad (200301033577 (635998-W)) |
| **Court** | : | High Court of Malaya |
| **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 Capital Markets and Services Act 2007 and Directors shall be construed accordingly |
| **EGM** | : | Extraordinary general meeting of the Company |
| **EPS** | : | Earnings per Share |
| **FYE** | : | Financial year ended / ending |
| **Infraharta or the Company** | : | Infraharta Holdings Berhad (200701007217 (765218-V)) |
| **Infraharta Group or the Group** | : | Collectively, Infraharta and its subsidiaries |
| **Infraharta Share(s) or Share(s)** | : | Ordinary share(s) in the Company |
| **Listing Requirements** | : | Main Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time |
| **LPD** | : | 19 June 2025, being the latest practicable date prior to this Announcement |
| **Maximum Scenario** | : | Assuming full granting and exercise of the SIS Options pursuant to the maximum allowable amount under the SIS and full issuance of the Placement Shares pursuant to the Private Placement, prior to the implementation of the Proposed Share Capital Reduction |
| **Minimum Scenario** | : | Assuming none of the SIS Options are granted and/or exercised and none of the Placement Shares are issued, prior to the implementation of the Proposed Share Capital Reduction |
| **NA** | : | Net assets |
| **Placement Shares** | : | Up to 47,839,300 new Shares to be issued pursuant to the Private Placement |
| **Previous Private Placement** | : | Private placement of 34,423,000 placement shares to third-party investors, which was completed on 23 January 2025 |
| **Private Placement** | | Private placement of up to 10% of the total number of issued Shares (excluding treasury shares) under the general mandate pursuant to Sections 75 and 76 of the Act |

| | | |
|---|---|---|
| **Proposed Share Capital Reduction** | : | Proposed reduction of the issued share capital of Infraharta pursuant to Section 116 of the Act |
| **RM and sen** | : | Ringgit Malaysia and sen, respectively |
| **Shareholder(s)** | : | Registered holder(s) of Infraharta Shares |
| **SIS** | : | 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** | : | 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)) |

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