

THIS CIRCULAR TO SHAREHOLDERS OF INFRAHARTA HOLDINGS BERHAD ("INFRAHARTA" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. This Circular has been reviewed by TA Securities Holdings Berhad, being the Principal Adviser to the Company for the Proposed Share Capital Reduction (as defined herein).

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF INFRAHARTA PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SHARE CAPITAL REDUCTION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



The Extraordinary General Meeting of the Company ("**EGM**") will be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor on Friday, 8 August 2025 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy and deposit it at the Company's share registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than 48 hours before the date and time for convening the EGM as indicated above or at any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting at the EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy	: Wednesday, 6 August 2025 at 10.00 a.m.
Date and time of the EGM	: Friday, 8 August 2025 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 17 July 2025

DEFINITIONS

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

Act	:	Companies Act 2016, as amended from time to time and includes any re-enactment thereof
Board	:	The Board of Directors of Infraharta
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	:	This circular to Shareholders in relation to the Proposed Share Capital Reduction
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
FPE	:	Financial period ended / ending
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 the printing of this Circular
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 Placement	Private :	Private placement of 34,423,000 placement shares to third-party investors under the general mandate pursuant to Sections 75 and 76 of the Act, as announced on 15 January 2024 and subsequently completed on 23 January 2025

DEFINITIONS

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, as announced on 23 April 2025 and the Private Placement has yet to be completed as at the LPD
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))

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

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EXECUTIVE SUMMARY

This Executive Summary of the Proposed Share Capital Reduction only highlights the key information from other parts of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular for further details before voting at the EGM.

Summary

Summary of Proposed Share Capital Reduction

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

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.

Please refer to **Section 2** of this Circular for further information.

Rationale for the Proposed Share Capital Reduction

To 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.

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.

To also enhance the Company and the Group's ability to declare and pay dividends out of its retained earnings in the future, as and when appropriate and when the Company returns to profitability.

Please refer to **Section 3** of this Circular for further information.

Approvals required

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.

Please refer to **Section 7** of this Circular for further information.

Interests of Directors, major Shareholders and/or persons connected with them

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

Please refer to **Section 9** of this Circular for further information.

EXECUTIVE SUMMARY (CONT'D)

Summary
<p><u>Directors' statement and recommendation</u></p> <p>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.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Capital Reduction to be tabled at the forthcoming EGM.</p> <p>Please refer to Section 10 of this Circular for further information.</p>

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INFRAHARTA HOLDINGS BERHAD
(Registration No. 200701007217 (765218-V))
(Incorporated in Malaysia)

Registered Office

B-3-9, 3rd Floor, Block B
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

17 July 2025

Board of Directors

Dato' Sri Hj. Wan Adnan Bin Wan Mamat (Independent Non-Executive Chairman)
Law Ngia Meng (Executive Director)
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman (Independent Non-Executive Director)
Noor Hazley Zuana Binti Mamat (Independent Non-Executive Director)
Chai Hann Lin (Independent Non-Executive Director)
Wong Kwai Wah (Non-Independent Non-Executive Director)

PROPOSED SHARE CAPITAL REDUCTION

1. INTRODUCTION

On 3 July 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Share Capital Reduction.

Further details of the Proposed Share Capital Reduction are set out in ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED SHARE CAPITAL REDUCTION AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE CAPITAL REDUCTION WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE CAPITAL REDUCTION AT THE FORTHCOMING EGM.

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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 RM105.50 million pursuant to Section 116 of the Act and in accordance with the Constitution of the Company.

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 LPD, the issued share capital of the Company is RM152,064,549 comprising 442,845,719 Infraharta Shares. The Company does not hold 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.

As at LPD, Infraharta had placed out a total of 24,243,000 Placement Shares at an issue price of RM 0.0825 pursuant to its Private Placement. As such, in compliance with Sections 75 and 76 of the Act, the number of Placement Shares that are available to be placed out is as set out below:

	Minimum Scenario	Maximum Scenario
No. of Placement Shares approved for issuance as at the LPD ⁽¹⁾	44,284,571	47,839,300
Placement Shares issued	(24,243,000)	(24,243,000)
No. of Placement Shares available to be placed out	20,041,571	23,596,300

Note:

(1) Calculated based on the issued share capital as at the LPD and including up to 47,839,300 Placement Shares to be issued pursuant to the Private Placement, as approved by Bursa Securities dated 26 May 2025.

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 FPE 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 ⁽¹⁾	(104,289,756)	(95,406,772)	(105,496,521)	(97,334,173)
Add: 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

Note:

- (1) The Group has incurred accumulated losses mainly due to cost overruns in construction projects primarily arose from scope variation by the clients and increase in material and labour costs.

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. An announcement in relation thereto will be released on Bursa Securities' website on the even date.

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. The breakdown of the estimated expenses for the Proposed Share Capital Reduction is illustrated as follows:

Estimated expenses	RM'000
Professional fees ⁽¹⁾	193
Fees to relevant authorities	8
Miscellaneous expenses and contingencies	29
Total	230

Note:

- (1) These include professional fees payable to the Principal Adviser, solicitors and company secretary in relation to the Proposed Share Capital Reduction.

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, which may in turn facilitate more favourable terms in commercial negotiations and support the Group's ability to secure future financing and/or strategic partnerships.

The Proposed Share Capital Reduction will also enhance the Company and the Group's ability to declare and pay dividends out of its retained earnings in the future, as and when appropriate and when the Company returns to profitability. For the avoidance of doubt, the aforementioned dividends can only be paid out from future profits generated by the Group, instead of from the retained earnings arising from the Proposed Share Capital Reduction.

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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
To be issued assuming full issuance of Placement Shares	442,845,719	152,064,549	506,272,519	161,248,750
Reduction of issued share capital pursuant to the Proposed Share Capital Reduction	-	-	23,596,300	(2)2,123,667
Estimated expenses for the Proposed Share Capital Reduction	442,845,719	152,064,549	529,868,819	163,372,417
	-	(105,500,000)	-	(105,500,000)
	-	(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 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 at an allocated fair value of RM0.0548 per SIS Option.
- (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 in 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:

Minimum Scenario

	Audited as at 31 March 2024 (RM'000)	(I)		(II)
		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	

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) 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 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 at an allocated fair value of RM0.0548 per SIS Option.

(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. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Infracarta Shares for the past 12 months are as follows:

	Highest RM	Lowest RM
<u>2024</u>		
July	0.165	0.145
August	0.155	0.125
September	0.130	0.100
October	0.130	0.095
November	0.120	0.095
December	0.105	0.085
<u>2025</u>		
January	0.100	0.085
February	0.175	0.080
March	0.110	0.060
April	0.090	0.065
May	0.115	0.075
June	0.110	0.090
Last transacted market price on 2 July 2025, being the last market day immediately prior to the announcement of the Proposed Share Capital Reduction on 3 July 2025	0.100	
Last transacted market price on the LPD	0.110	

(Source: Bloomberg)

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6. 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.

The tentative timeline for the implementation of the Proposed Share Capital Reduction is as follows:

Date	Events
8 August 2025	<ul style="list-style-type: none">• EGM for the Proposed Share Capital Reduction
October 2025	<ul style="list-style-type: none">• Submission of documents to the Court for the Proposed Share Capital Reduction
January 2026	<ul style="list-style-type: none">• Order by the Court for the Proposed Share Capital Reduction• Effective date of the Proposed Share Capital Reduction

7. 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.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Share Capital Reduction and the Private Placement, there are no other corporate exercises which have been announced by the Company but are pending completion as at the date of this Circular.

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

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

10. DIRECTORS' STATEMENT AND RECOMMENDATION

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.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Capital Reduction to be tabled at the forthcoming EGM.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution, with or without modifications, to give effect to the Proposed Share Capital Reduction:

Date and time of the EGM : Friday, 8 August 2025 at 10.00 a.m.
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If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy and deposit it at the Company's share registrar's office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via e-mail at ir@shareworks.com.my not less than 48 hours before the date and time for convening the EGM as indicated above or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

12. FURTHER INFORMATION

You are requested to refer to the **Appendix I** for further information.

Yours faithfully,
For and on behalf of the Board of
INFRAHARTA HOLDINGS BERHAD

Law Ngia Meng
Executive Director

1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

TA Securities, being the Principal Adviser for the Proposed Share Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the Principal Adviser for the Proposed Share Capital Reduction.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

Contingent liabilities

As at the LPD, save as disclosed below, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:

Pursuant to the letter of award dated 11 February 2022, Infraharta Sdn Bhd (“**ISB**”), a wholly-owned subsidiary of the Company, had been granted an award by Sheng Tai Impression Sdn Bhd (“**STI**”), as the main contractor to carry out some contract works which comprises supplying all services, labour, equipment and material (where applicable) for the construction until completion of a project known as Jonker Walk 2 (Basement & Lower Ground Slab Inclusive Retaining Wall up to Ground Level) (“**Project**”). The Project’s initial completion date was 23 February 2023 and STI subsequently granted an extension of time until 23 December 2023.

After the first extended period, ISB had made another two (2) separate written extension of time (“**EOT**”) applications to STI and/ or its appointed architect (“**Architect**”) on 16 November 2023 (“**First EOT Application**”) and 25 March 2024 (“**Second EOT Application**”) to extend the completion period for the Project.

On 19 March 2024, ISB submitted an appeal to the Architect to challenge the First EOT Application as the partial rejection of the said application by the Architect was not supported with detailed grounds to ISB (“**First EOT Appeal**”). Subsequently, ISB submitted second appeal via a letter dated 16 May 2024 challenging the full rejection of the extension made in the Second EOT Application which was also not supported with detailed grounds to ISB (“**Second EOT Appeal**”).

Both parties are in the midst of negotiating the terms and conditions of the termination, notwithstanding there was an unjust outcome of the First EOT Appeal and Second EOT Appeal. In the event ISB, fails to obtain the EOT for the project, ISB would be liable to pay liquidated and ascertain damages (“**LAD**”) based on RM30,000 per calendar day.

APPENDIX I – FURTHER INFORMATION

In the opinion of the Directors, after taking appropriate professional advice, ISB has valid ground and justification to be entitled the EOT. The outcome of the termination will be announced once it has concluded.

4. MATERIAL CONTRACTS

As at the LPD, the Board confirmed that there are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Group within 2 years immediately preceding the date of this Circular.

5. MATERIAL LITIGATION

As at the LPD, save as disclosed below, the Group is not involved in any material litigation, claims or arbitration and the Board confirmed that there are no proceedings pending or threatened involving the Group, or of any facts likely to give rise to any such proceedings which might materially affect the business or financial position of the Group:

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 Act 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.

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.

APPENDIX I – FURTHER INFORMATION

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:

- (i) ISB received the Funds wrongfully and are liable to return the same to CZC;
- (ii) the transfer of the Funds is tainted with fraud and deceit;
- (iii) ISB and VCSB conspired to injure CZC;
- (iv) ISB has been unjustly enriched by receipt of the Funds; and
- (v) 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.

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 subsequent case management took place on 23 June 2025. During the session, counsel for CZC informed the Court that the bundle of pleadings had been filed and that the draft issues to be tried and draft agreed facts had been served. In view of a request for additional time to respond to the drafts, the parties agreed to a one-month extension of time from 23 June 2025, i.e., until 23 July 2025, to finalise the said documents.

Accordingly, the Court has extended the deadline to comply with the earlier directions to the next case management, which is scheduled for 23 July 2025.

As of 24 June 2025, ISB’s solicitors are unable to advise on the likely outcomes of the captioned matters, as it will depend on the evidence that will be proffered by the respective parties during trial. Notwithstanding the above, based upon the documents and instructions given to the solicitors thus far, the solicitors are of the view that BCSB and ISB stand a good chance of success in both Suit 763 and Suit 535.

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6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at B-3-9, 3rd Floor, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of Infraharta for the FYE 31 March 2023, FYE 31 March 2024 and unaudited consolidated financial statements of Infraharta for the FPE 31 March 2025;
- (iii) the letter of consent and conflict of interest referred to in **Section 2 of Appendix I** above; and
- (iv) the relevant cause papers in respect of the material litigation referred to in **Section 5 of Appendix I** above.

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INFRAHARTA HOLDINGS BERHAD
(Registration No. 200701007217 (765218-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Infraharta Holdings Berhad (“**Infraharta**” or the “**Company**”) will be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor on Friday, 8 August 2025 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:

SPECIAL RESOLUTION

PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF INFRAHARTA PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED SHARE CAPITAL REDUCTION”)

"THAT subject to and conditional upon the confirmation by the High Court of Malaya pursuant to Section 116 of the Act, the Board of Directors of the Company (“**Board**”) be and is hereby given the authority and approval to reduce the issued share capital of the Company, via the cancellation of the issued share capital of RM105.50 million and that the credit arising from the Proposed Share Capital Reduction to be utilised to set off against the accumulated losses of the Company;

THAT 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 Main Market Listing Requirements;

AND THAT the Board be and is hereby authorised to approve, sign and execute all documents (including, without limitation, affixing the Company’s common seal in accordance with the provisions of the Constitution of the Company, where necessary), do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Share Capital Reduction in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, the relevant and applicable laws or deemed necessary or desirable by the Board.”

By Order of the Board
INFRAHARTA HOLDINGS BERHAD

CHIN LI THING (MAICSA 7044467)
(SSM PC NO. 201908000022)
Company Secretary

Kuala Lumpur
17 July 2025

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 July 2025 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the Company.
3. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his stead provided that the member specifies the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempted authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via email at ir@shareworks.com.my not less than forty-eight (48) hours before the time fixed for convening the EGM or any adjournment thereof.
7. All resolution at the EGM or any adjournment thereof shall be voted by poll.



INFRAHARTA HOLDINGS BERHAD
(Registration No. 200701007217 (765218-V))
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account Number	
I/We (Full Name in Block Letters)	
NRIC No. / Passport No. / Company No.	
of (full address)	
being a member of INFRAHARTA HOLDINGS BERHAD hereby appoint:	
Full Name (IN BLOCK LETTERS):	NRIC / Passport No.:
Full Address:	Contact No.:
	Email address:

and/or failing *him/her (*delete as appropriate)

Full Name (IN BLOCK LETTERS):	NRIC / Passport No.:
Full Address:	Contact No.:
	Email address:

or failing *him/her, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us and on my/our behalf at the EGM of the Company will be held at Atlanta East, Level 3, Hotel Armada Petaling Jaya, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor on Friday, 8 August 2025 at 10.00 a.m. or at any adjournment thereof, in the manner indicated below:

RESOLUTION		FOR	AGAINST
Special Resolution	Proposed Share Capital Reduction		

Please indicate with "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this day of 2025

.....
*Signature Member(s) / Common Seal of Shareholder
*Delete whichever not applicable

Number of shares held		
For appointment of two proxies, the shareholdings to be represented by the proxies:		
Proxies	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%



Notes:

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7. All resolution at the EGM or any adjournment thereof shall be voted by poll.

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AFFIX
STAMP

The Share Registrar of
INFRAHARTA HOLDINGS BERHAD (200701007217 / 765218-V)

c/o ShareWorks Sdn. Bhd. (199101019611 / 229948-U)
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

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