

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025 ("OTHER")

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

	Individual Quarter 3 months ended (Unaudited)		Cumulative Quarter 15 months ended (Unaudited)	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Revenue	11,264	-	39,700	-
Cost of sales	(11,019)	-	(37,029)	-
Gross profits	245	-	2,671	-
Administrative expenses	(7,076)	-	(11,155)	-
Other operating income	226	-	566	-
Loss from operations	(6,605)	-	(7,918)	-
Finance income	6	-	21	-
Finance cost	(18)	-	(126)	-
Net finance cost	(12)	-	(105)	-
Loss before taxation	(6,617)	-	(8,023)	-
Income tax expenses	(800)	-	(772)	-
Loss after taxation	(7,417)	-	(8,795)	-
Other comprehensive profit				
Fair value gain on other investment	401	-	401	-
Total comprehensive loss	(7,016)	-	(8,394)	-
Net loss attributable to:				
Owners of the Company	(7,176)	-	(9,104)	-
Non-controlling interests	(241)	-	309	-
	(7,417)	-	(8,795)	-
Total comprehensive loss attributable to:				
Owners of the Company	(6,775)	-	(8,703)	-
Non-controlling interests	(241)	-	309	-
	(7,016)	-	(8,394)	-
Loss per share attributable to equity holders of the parent:				
Basic (sen)	(1.72)	-	(2.18)	-

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements of Infraharta Holdings Berhad ("Infraharta" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

The financial year end of the Group had been changed from 31 March 2025 to 30 June 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	As at 30-Jun-25 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Non-Current Assets		
Plant and equipment	372	805
Right of use assets	229	2,040
Other investments	4,120	3,719
Goodwill	1,232	2,080
Trade receivables	4,245	9,927
	<u>10,198</u>	<u>18,571</u>
Current Assets		
Contract assets	15,814	21,891
Contract costs	137	114
Inventories	15,975	20,152
Trade receivables	11,845	13,407
Other receivables, deposits and prepayments	9,475	8,936
Tax recoverable	936	925
Fixed deposits with a licensed bank	310	234
Cash and bank balances	7,838	1,777
	<u>62,330</u>	<u>67,436</u>
TOTAL ASSETS	<u>72,528</u>	<u>86,007</u>
EQUITY		
Share capital	152,065	148,213
Fair value reserves	(5,740)	(6,141)
Accumulated losses	(104,511)	(95,407)
Equity attributable to owners of the Company	41,814	46,665
Non-controlling interests	(3,379)	(3,688)
Total Equity	<u>38,435</u>	<u>42,977</u>
Non Current Liabilities		
Lease liabilities	103	1,214
Deferred tax liabilities	10	10
Trade payables	-	2,961
	<u>113</u>	<u>4,185</u>
Current Liabilities		
Contract liabilities	1	342
Trade payables	16,090	24,843
Other payables and accruals	16,994	12,171
Lease liabilities	129	728
Bank borrowings	107	755
Tax payable	659	6
	<u>33,980</u>	<u>38,845</u>
Total Liabilities	<u>34,093</u>	<u>43,030</u>
TOTAL EQUITY AND LIABILITIES	<u>72,528</u>	<u>86,007</u>
Net Asset per share (in RM)	<u>0.09</u>	<u>0.11</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Infraharta Holdings Berhad ("Infraharta" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	Attributable to owners of the Company				
	Non-Distributable		Distributable		
	Share Capital	Fair Value Reserve	Accumulated Losses	Total	Non-controlling Interests
	RM'000	RM'000	RM'000	RM'000	RM'000
					Total Equity
					RM'000
As At 1 April 2024 (Audited)	148,213	(6,141)	(95,407)	46,665	(3,688)
Transaction with owner:					
- Issue of shares pursuant to private placement	3,852	-	-	3,852	-
	3,852	-	-	3,852	-
Net (loss)/profit for the period	-	-	(9,104)	(9,104)	309
Fair value gain on other investments	-	401	-	401	-
Total comprehensive profit/(loss) for the period	-	401	(9,104)	(8,703)	309
As At 30 June 2025 (Unaudited)	152,065	(5,740)	(104,511)	41,814	(3,379)
As At 1 April 2023	144,744	(4,618)	(88,425)	51,701	(501)
Transaction with owner:					
Shares issued during the year					
- Conversion of redeemable convertible preference shares	1,175	-	-	1,175	-
- Issue of shares pursuant to private placement	2,294	-	-	2,294	-
	3,469	-	-	3,469	-
Net loss for the year	-	-	(6,982)	(6,982)	(3,187)
Fair value loss on other investments	-	(1,523)	-	(1,523)	-
Total comprehensive profit/(loss) for the year	-	(1,523)	(6,982)	(8,505)	(3,187)
As At 31 March 2024 (Audited)	148,213	(6,141)	(95,407)	46,665	(3,688)

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of Infraharta Holdings Berhad ("Infraharta" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

The financial year end of the Group had been changed from 31 March 2025 to 30 June 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025

	As at 30-Jun-25 (Unaudited) RM'000	As at 30-Jun-24 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,023)	-
Adjustments for:		
Amortisation & depreciation	835	-
Impairment for goodwill on consolidation	848	-
Impairment on trade and other receivables	4,814	-
Impairment on contract assets	382	-
Interest income	(21)	-
Interest expense	126	-
Trade payables written off	(47)	-
Gain on disposal of plant and equipments	(317)	-
Gain on termination of lease obligation	(30)	-
Plant and equipments written off	2	-
Loss on disposal of right of use assets	6	-
Operating loss before working capital changes	(1,425)	-
Changes in contract assets/liabilities (net)	5,354	-
Increase in contract costs	(23)	-
Decrease in trade and other receivables	2,573	-
Decrease in trade and other payables	(6,845)	-
Decrease in inventories	4,177	-
Net cash from operations	3,811	-
Income tax paid	(181)	-
Income tax refunded	51	-
Net cash from operating activities	3,681	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant & equipment	(69)	-
Proceeds from disposal of:		
- plant & equipment	171	-
Increase in fixed deposits pledged	(76)	-
Interest received	21	-
Net cash generated from investing activities	47	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(126)	-
Repayment of lease liabilities	(745)	-
Proceeds from issuance of ordinary shares-net	3,852	-
Net cash generated from financing activities	2,981	-
Net changes in cash and cash equivalents	6,709	-
Cash and cash equivalents brought forward	1,022	-
Cash and cash equivalents carried forward	7,731	-
Cash and cash equivalents comprise:		
Cash and bank balances	7,838	-
Fixed deposits	310	-
Bank overdrafts	(107)	-
	8,041	-
Less: Deposits pledged	(310)	-
	7,731	-

The Unaudited Condensed Consolidated Statement of Cash FlowS should be read in conjunction with the Audited Financial Statements of Infraharta Holdings Berhad ("Infraharta" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

The financial year end of the Group had been changed from 31 March 2025 to 30 June 2025. As such, there is no comparative financial information available for the preceding year corresponding period.

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The unaudited condensed interim financial statements for the period ended 30 June 2025 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). These interim financial statements also comply with International Accounting Standards ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board.

On 14 March 2025, the Board of Directors of the Company has approved the change in the financial year end of the Group from 31 March to 30 June to strengthen the Group's operation or management and focus on the Group's business plan as a contributor to the Group's financial position. The next audited financial statements will be made up from 1 April 2024 to 30 June 2025 covering a period of 15 months. As such, there will be no comparative financial information available for the preceding year corresponding periods.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2024, except the adoption of amendments to MFRSs and IC Interpretations that are effective for the financial period beginning on or after 1 April 2024 which does not have any significant impact on the interim financial statements of the Group.

A2. Audited Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 31 March 2024 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Group for the current quarter under review were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter under review.

A5. Material Changes in Estimates

There were no material changes in the estimates of amounts reported that have material effect on the results for the current quarter under review.

INFRAHARTA HOLDINGS BERHAD

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PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

A7. Dividend Paid

There was no dividend paid during the current quarter under review.

A8. Segmental Reporting

The Group's business segmental information are as follows:

	<u>Revenue</u> Cumulative Quarter 15 months ended (Unaudited) 30-Jun-25 RM'000	<u>(Loss)/ Profit before tax</u> Cumulative Quarter 15 months ended (Unaudited) 30-Jun-25 RM'000
Constructions	31,007	(6,329)
Property development	8,686	1,615
Investment holdings and others	7	(3,309)
	<u>39,700</u>	<u>(8,023)</u>

There was no disclosure on geographical segment as all the revenue is derived from Malaysia and from external customers.

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the current quarter under review.

A10. Changes In the Composition of The Group

There were no material changes to the composition of the Group for the current quarter under review, except for:

- (i) the wholly-owned subsidiary, Wande Development (Sabah) Sdn. Bhd., was struck off on 25 May 2025 (with gazetted) as the Management do not intend to have operation and business in the future; and
- (ii) on 25 July 2025, Infracarta Sdn. Bhd. ("ISB") has passed a resolution on transfer all its 3,750,000 ordinary shares in Buildmarque Construction Sdn. Bhd. ("BCSB") to Vertice Infrastructure Sdn. Bhd. ("VISB"), the wholly owned subsidiary of ISB, pursuant to an internal restructuring purpose. Consequence, BCSB become a subsidiary of VISB once the share title has been transferred.

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PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A11. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities, either secured or unsecured, or contingent assets of the Group as at the end of the current quarter, except as disclosed below:

Contingent liability

Pursuant to the letter of award dated 11 February 2022, Infraharta Sdn Bhd ("ISB"), a wholly-owned subsidiary of the Infraharta Holdings Berhad, 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. However, only a partial EOT was granted extending the completion date to 6 April 2024.

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.

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.

A12. Capital Commitments

There were no material capital commitments approved or contracted for as at 30 June 2025.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group's Performance

	Individual Quarter 3 months ended (Unaudited)			Cumulative Quarter 15 months ended (Unaudited)
	30-Jun-25	30-Jun-24	Change	30-Jun-25
	RM'000	RM'000	%	RM'000
Revenue	11,264	7,300	54%	39,700
Loss before taxation	(6,617)	(482)	-1273%	(8,023)
Loss after taxation	(7,417)	(482)	-1439%	(8,795)

Net loss attributable to equity holders of the parent	(7,176)	(591)	-1114%	(9,104)
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The Group's revenue recorded approximately RM11.26 million for the individual quarter 3 months ended 30 June 2025, which was increased by RM3.96 million/54% as compared to individual quarter 3 months ended 30 June 2024, mainly due to the revenue recognised of approximately RM3.10 million on the new project secured during the current quarter under review.

The Group had reported a significant loss before taxation under the individual quarter 3 months ended 30 June 2025 as compared to individual quarter 3 months ended 30 June 2024 by approximately RM6.62 million/>100%, mainly attributable to the recognition of impairment losses, consists of expected credit losses on trade and other receivables, contract assets, as well as an impairment in goodwill on consolidation, amounting to approximately RM6.04 million.

During the current individual quarter ended 30 June 2025, the Group has made a provision of corporate taxation approximately RM809,000 on profitable subsidiaries based on Management's best estimation.

No comparative figures are provided for cumulative quarter 15 months ended 30 June 2025 due to the change of Group's financial year end from 31 March to 30 June, covering a period of 15 months.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B2. Variation of Results for The Current Individual Quarter Against Immediate Preceding Quarter

	Individual Quarter 3 months ended (Unaudited)			
	30-Jun-25	31-Mar-25	Changes	
	RM'000	RM'000	RM'000	%
Revenue	11,264	5,856	5,408	92%
(Loss)/Profit before taxation	(6,617)	373	(6,990)	1874%
(Loss)/Profit after taxation	(7,417)	373	(7,790)	2088%
Net loss attributable to owners of the Company	<u>(7,176)</u>	<u>(21)</u>	(7,155)	-34071%

The Group recorded a revenue of approximately RM11.26 million for the current individual quarter ended 30 June 2025 as compared to approximately RM5.86 million for the immediate preceding quarter ended 31 March 2025. There was an increase of approximately RM5.41 million/92%, primarily stemmed from both the construction segment and the property development segment were at their completion stages, contributing to the increase in revenue. In addition, there was approximately RM3.10 million revenue recognised on the new project secured during the current quarter under review.

The loss before taxation for the current individual quarter ended 30 June 2025 was increased by RM6.99 million/>100% as compared to immediate preceding quarter ended 31 March 2025 mainly due to the impairment losses, including expected credit losses on trade and other receivables, contract assets, as well as an impairment in goodwill on consolidation, amounting to approximately RM6.04 million.

During the current individual quarter ended 30 June 2025, the Group has made a provision of corporate taxation approximately RM809,000 on profitable subsidiaries based on Management's best estimation.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. Group's Prospects

The International Monetary Fund ("IMF") and World Bank have reduced their forecasts for Malaysia's 2025 GDP growth to 4.1% and 3.9% respectively due to global uncertainties and trade tensions especially after the US tariff announcements.

The Group's construction division will continue to focus on the timely execution and completion of its remaining order book in hand, while at the same time, sharpening its orderbook replenishment strategies.

Buoyed by the success of our Pavilion Residence property development project in strategic location and with affordable price points, the Group plans to continue targeting more projects in residential property. The National Housing Policy (2018 – 2025) is formulated to ensure the adequacy of the housing supply, and fostering safe, healthy and harmonious living environment. In realising this policy, an action plan is being developed to ensure more meaningful parameters are set to strike a balance between median house prices and median income level. With the government incentives and expected economic recovery, we are look forward to maintaining positive outlook for residential property industry.

Barring any unforeseen circumstances, the Board and the Management of the Group are cautiously optimistic on its prospects and sustainability for both segments with the financial capacity to raise funds as and when required through corporate exercises on a new chapter in financial year ending 2026.

B4. Variance Of Profit Forecast

The Group did not announce or disclose any profit forecast/ profit guarantee in a public document that related to this period.

B5. Income Tax Expense

The tax expenses of the Group is as follows:

	Individual Quarter 3 months ended (Unaudited) 30-Jun-25 RM'000	Cumulative Quarter 15 months ended (Unaudited) 30-Jun-25 RM'000
Corporate tax:		
- current provision	809	809
- over-provision in prior year	(9)	(37)
	<u>800</u>	<u>772</u>

The Group's effective statutory tax rate is 24% and the tax provision is recognised based on management's best estimate.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. Group Borrowings and Debt Securities

The Group's borrowings are as follows: -

	As at 30-Jun-25 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Current		
<u>Lease liabilities</u>		
- Hire purchase leases	129	425
- Other leases	-	303
	<u>129</u>	<u>728</u>
<u>Bank borrowing</u>		
- Bank overdrafts	107	755
	<u>107</u>	<u>755</u>
Non-current		
<u>Lease liabilities</u>		
- Hire purchase leases	103	310
- Other leases	-	904
	<u>103</u>	<u>1,214</u>

The Group does not have any foreign currency borrowings as at 30 June 2025. All borrowings indicated above are denominated in Ringgit Malaysia.

B7. Material Litigation

Originating Summons, Kuala Lumpur High Court Suit No. WA-24NCC-311-06/2023 ("OS 311") filed by Consortium Zenith Construction Sdn. Bhd. ("CZC") for an injunction to restrain Buildmarque Construction Sdn. Bhd. ("BCSB") from presenting a winding up petition against CZC

OS 311

On 22 May 2023, BCSB served a winding up Statutory Notice of Demand pursuant to Sections 465 and 466 of the Companies Act, 2016 on CZC demanding for 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 BCSB pursuant to the Deed of Rescission and Terminated dated 29 December 2021 (entered into between CZC, BCSB and Infraharta Sdn. Bhd. ("ISB")) ("the Deed").

The Deed records CZC's termination of BCSB as a sub-contractor for constructions works relating to the Major Roads and Penang Third Link Project in the State of Penang ("PMRT Project"). CZC was main contractor for the PMRT Project.

A Winding-Up petition would have been presented against CZC in the event CZC failed to pay the Demanded Sum within 21 days of the notice.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7. Material Litigation (cont'd)

OS 311 (cont'd)

CZC had on 7 June 2023 via its solicitors filed, Kuala Lumpur High Court Originating Summons No. WA-24NCC-311-06/2023 ("OS 311") to seek for an injunction to restrain BCSB from presenting a winding-up petition against CZC.

On 12 June 2023, the High Court granted an Injunction to restrain BCSB from presenting the winding-up petition in view that a certain portion of the Demanded Sum is disputed by CZC through Suit 443, which will be further elaborated below.

Writ of Summons and Statement of Claim served on BCSB and ISB by CZC, KUALA LUMPUR HIGH COURT OF MALAYA AT KUALA LUMPUR VIDE SUIT NUMBER: WA-22NCvC-443-08/2023 ("Suit 443")

Suit 443

On 17 August 2023, BCSB, ISB and Dato Lee Chee Hoe (collectively known as "Defendants") were served with a Sealed Writ of Summons and Statement of Claim filed by CZC. By the Statement of Claim, CZC seeks for the following reliefs: -

- a) a declaration that Part A of the Deed was entered into without free consent of CZC whose consent is caused by misrepresentation;
- b) a declaration that Part A of the Deed is void and unenforceable in law;
- c) BCSB shall pay to CZC a sum of RM1,032,739.73 being the monies paid by CZC to BCSB caused by the misrepresentation;
- d) all further proper accounts, inquiries and/or directions;
- e) damages for fraud;
- f) general, aggravated, punitive and/or exemplary damages to be assessed;
- g) interest on the judgment sum to be calculated at the rate of 5% per annum from the date of the filing of the action until the date of full and final settlement;
- h) costs; and
- i) such further and/or other reliefs that the Court deems just and proper.

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

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

On 18 October 2024, the Judge in Suit 443 allowed CZC's application to transfer Suit 443 to the Court hearing Suit 535 (details on Suit 535 will be elaborated below).

As such, Suit 443 has been assigned with a new case number namely "WA-22NCC-763-11/2024" ("**Suit 763**"). The trial of both Suit 763 and Suit 535 will proceed before the same Judge. Pleadings for both suits have come to a close.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7. Material Litigation (cont'd)

WRIT AND STATEMENT OF CLAIM SERVED ON INFRAHARTA SDN BHD BY CONSORTIUM ZENITH CONSTRUCTION SDN BHD, KUALA LUMPUR HIGH COURT OF MALAYA VIDE SUIT NUMBER: WA-22NCC-535-08/2024 ("SUIT 535")

Suit 535

On 14 August 2024, ISB and Vizione Construction Sdn Bhd ("VCSB") (collectively referred to as the "Defendants") were served with a Sealed Writ of Summons and Statement of Claim filed by CZC vide Suit No. WA-22NCC-535-08/2024 ("Suit 535").

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

By Suit 535, it is alleged that only after ECK Development Sdn Bhd's ("ECK") acquisition of a majority shareholding in CZC that it discovered that CZC incurred costs under suspicious circumstances. CZC alleges that among such costs were payments made by CZC to ISB for works carried out under the PMRT Project. Prior to ECK's acquisition of majority shareholding in CZC, CZC made payments amounting to RM13,121,660.00 ("Funds") to ISB.

Insofar as Suit 535 concerns ISB, 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.

The Board of IHB emphasizes that the transfer of the Funds was approved by the then shareholders and Board of Directors of CZC. The Funds were transferred in 2017 to be utilized by ISB for another project. Further, the Funds are unrelated to the PMRT Project as the PMRT Project was only sub-contracted to BCSB in August 2018. In fact, BCSB was only incorporated on 15 August 2018.

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. Accordingly, the Court has extended the deadline to comply with the earlier directions to the next case management, which scheduled on 28 August 2025.

The Board of IHB is of the view that the allegations and reliefs sought in Suit 535 against ISB are baseless and intends for ISB to vigorously resist the claim. As of the date of this announcement, there is no material financial and operational impact arising from the Suit 535 on the Group.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Dividend Proposed

No dividend has been declared during the current quarter under review.

B9. Earnings Per Share ("EPS")

i) Basic EPS

The basic earnings per share of the Group is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

	Individual Quarter 3 months ended (Unaudited) 30-Jun-25 RM'000	Cumulative Quarter 15 months ended (Unaudited) 30-Jun-25 RM'000
Net loss attributable to owners of the Company	(7,176)	(9,104)
Weighted average number of ordinary shares in issue ('000)	417,744	417,744
Basic loss per ordinary share (sen)	(1.72)	(2.18)

ii) Diluted EPS

Diluted earnings per share were not computed as the Group does not have any dilutive potential ordinary shares in issue at the end of the financial period under review.

B10. Significant Event Subsequent to Reporting Period

There was no significant event subsequent to this reporting period, being the latest practicable date not earlier than seven (7) days from the date of the issue of this report that are expected to have an operational or financial impact on the Group.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Status of Corporate Proposal Announced

Private Placement

On 23 April 2025, the Company proposed to undertake a private placement of up to 47,839,300 new ordinary shares, representing up to approximately 10% of the total number of issued shares, to third-party investor(s) to be identified later and at an issue price to be determined later.

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

On 26 May 2025, Bursa Securities had approved the Private Placement. Further details of the Private Placement are announced to the Bursa Securities website, https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3556364

The following are information in respect of the 1st tranche issuance:

Quarter period	Tranche	Price-fixing date	Issuance date	No. of shares issued and allotted	Issue price and basis
Quarter ended 30 June 2025	First	11 June 2025	16 June 2025	24,243,000	RM0.0825*

* Represents discount of approximately 9.54% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.0912.

As at 30 June 2025, the status of utilisation of the proceeds raised from the private placement are as follows:-

Purpose	Utilisation		Intended Timeframe for Utilisation	Yet to be utilised amount		Explanation (if "Yet to be utilised" is 5% or more)
	Proposed RM'000	Actual RM'000		RM'000	%	
(i) Funding for on-going projects	1,606	1,209	Within 12 months	397	25%	Fully utilised as at 28.8.2025
(ii) Working capital	283	22		261	92%	
(iii) Estimated expenses relating to the proposals	111	111	Immediate	-	-	-
Total	2,000	1,342				

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Status of Corporate Proposal Announced (cont'd)

Proposed Share Capital Reduction

On 3 July 2025, the Company had proposed to undertake a reduction of up to RM105,500,000 of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Proposed Share Capital Reduction").

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

Date	Events
8 August 2025	Extraordinary General Meeting("EGM") for the Proposed Share Capital Reduction
October 2025	Submission of documents to the Court for the Proposed Share Capital Reduction
January 2026	(i) Order by the Court for the Proposed Share Capital Reduction (ii) Effective date 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.

On 8 August 2025, the Company has passed the special resolution in relation to the Proposed Share Capital Reduction by the shareholders at the EGM held on 8 August 2025 at Atlanta East, Level 3, Hotel Armada, Petaling Jaya.

The Company now are in the midst of preparing the submission documents to the Court for granted an Order to the Proposed Share Capital Reduction.

Kindly refer to our Company's Website for further details of the Proposed Share Capital Reduction www.infraharta.com.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Individual Quarter 3 months ended (Unaudited) 30-Jun-25 RM'000	Cumulative Quarter 15 months ended (Unaudited) 30-Jun-25 RM'000
Loss before taxation is arrived at after charging/(crediting): -		
Depreciation of:-		
- plant and equipment	72	427
- right of use assets	(7)	408
Plant and equipment written off	2	2
Loss on disposal of right of use assets	-	6
Gain on disposal of plant and equipments	(187)	(317)
Trade payables written off	-	(47)
Allowance for expected credit losses on:		
- Trade receivables	4,603	4,603
- Other receivables	211	211
- Contract assets	382	382
Impairment loss on goodwill on consolidation	848	848

B13. Authorization For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 August 2025.