

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024 (3rd QUARTER)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

	Individual Quarter 3 months ended (Unaudited)		Cumulative Quarter 9 months ended (Unaudited)	
	31-Dec-24 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-23 RM'000
Revenue	6,335	11,671	22,580	28,455
Cost of sales	(5,858)	(11,121)	(21,237)	(27,081)
Gross profits	477	550	1,343	1,374
Administrative expenses	(989)	(1,173)	(3,194)	(3,499)
Other operating income	62	31	144	176
Loss from operations	(450)	(592)	(1,707)	(1,949)
Finance income	3	4	11	12
Finance cost	(27)	(40)	(83)	(107)
Net finance cost	(24)	(36)	(72)	(95)
Loss before taxation	(474)	(628)	(1,779)	(2,044)
Income tax expenses	28	(12)	28	(12)
Loss after taxation/Total comprehensive loss	(446)	(640)	(1,751)	(2,056)
Net loss attributable to:				
Owners of the Company	(550)	(708)	(1,907)	(2,329)
Non-controlling interests	104	68	156	273
	(446)	(640)	(1,751)	(2,056)
Total comprehensive loss attributable to:				
Owners of the Company	(550)	(708)	(1,907)	(2,329)
Non-controlling interests	104	68	156	273
	(446)	(640)	(1,751)	(2,056)
Loss per share attributable to equity holders of the parent:	-	-	-	-
Basic (sen)	(0.13)	(0.19)	(0.46)	(0.61)

Diluted earnings is not applicable for the Group.

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements 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 FINANCIAL POSITION AS AT 31 DECEMBER 2024

	As at 31-Dec-24 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Non-Current Assets		
Plant and equipment	487	805
Right of use assets	1,687	2,040
Other investments	3,719	3,719
Goodwill	2,080	2,080
Trade receivables	11,157	9,927
	<u>19,130</u>	<u>18,571</u>
Current Assets		
Contract assets	19,441	21,891
Contract costs	137	114
Inventories	17,323	20,152
Trade receivables	9,987	13,407
Other receivables, deposits and prepayments	10,181	8,936
Tax recoverable	1,058	925
Fixed deposits with a licensed bank	279	234
Cash and bank balances	1,515	1,777
	<u>59,921</u>	<u>67,436</u>
TOTAL ASSETS	<u>79,051</u>	<u>86,007</u>
EQUITY		
Share capital	150,176	148,213
Fair value reserves	(6,141)	(6,141)
Accumulated losses	(97,314)	(95,407)
Equity attributable to owners of the Company	46,721	46,665
Non-controlling interests	(3,532)	(3,688)
Total Equity	<u>43,189</u>	<u>42,977</u>
Non Current Liabilities		
Lease liabilities	816	1,214
Deferred tax liabilities	10	10
Trade payables	3,177	2,961
	<u>4,003</u>	<u>4,185</u>
Current Liabilities		
Contract liabilities	87	342
Trade payables	12,738	24,843
Other payables and accruals	17,850	12,171
Lease liabilities	549	728
Bank borrowings	635	755
Tax payable	-	6
	<u>31,859</u>	<u>38,845</u>
Total Liabilities	<u>35,862</u>	<u>43,030</u>
TOTAL EQUITY AND LIABILITIES	<u>79,051</u>	<u>86,007</u>
Net Asset per share (in RM)	<u>0.11</u>	<u>0.11</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements 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 31 DECEMBER 2024

	Attributable to owners of the Company			Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable	Distributable			
	Share Capital RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total RM'000	
As At 1 April 2024	148,213	(6,141)	(95,407)	46,665	42,977
Shares issued during the period					
- Issue of shares pursuant to private placement	1,963	-	-	1,963	1,963
Total comprehensive loss for the period	-	-	(1,907)	(1,907)	(1,751)
As At 31 Dec 2024 (Unaudited)	150,176	(6,141)	(97,314)	46,721	43,189
As At 1 April 2023	144,744	(4,618)	(88,425)	51,701	51,200
Shares issued during the year					
- Conversion of redeemable convertible preference shares	1,175	-	-	1,175	1,175
- Issue of shares pursuant to private placement	2,294	-	-	2,294	2,294
	3,469	-	-	3,469	3,469
Fair value loss on other investments	-	(1,523)	-	(1,523)	(1,523)
Total comprehensive loss for the year	-	-	(6,982)	(6,982)	(10,169)
As At 31 March 2024 (Audited)	148,213	(6,141)	(95,407)	46,665	42,977

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements 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 CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2024

	As at 31-Dec-24 (Unaudited) RM'000	As at 31-Dec-23 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,779)	(2,044)
Adjustments for:		
Amortisation & depreciation	588	794
Interest income	(11)	(12)
Interest expense	83	107
Trade payables written off	(47)	-
Loss on disposal of plant and equipment	13	-
Operating loss before working capital changes	(1,153)	(1,155)
Changes in contract assets/liabilities (net)	2,196	9,740
Increase in contract costs	(23)	(14)
Decrease/(increase) in trade and other receivables	945	(52)
Decrease in trade and other payables	(6,163)	(8,124)
Decrease/(increase) in inventories	2,829	(815)
Net cash used in operations	(1,369)	(420)
Income tax paid	(129)	(685)
Income tax refunded	18	97
Net cash used in operating activities	(1,480)	(1,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant & equipment	(2)	(20)
Proceeds from disposal of plant & equipment	60	-
Release in fixed deposits pledged	-	5
Increase in fixed deposits pledged	(45)	-
Interest received	11	12
Net cash generated from/(used in) investing activities	24	(3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(83)	(107)
Repayment of lease liabilities	(566)	(650)
Repayment of trade financing	-	(124)
Proceeds from issuance of ordinary shares	1,963	-
Proceeds from issuance of redeemable convertible preference shares	-	1,175
Net cash generated from financing activities	1,314	294
Net changes in cash and cash equivalents	(142)	(717)
Cash and cash equivalents brought forward	1,022	1,039
Cash and cash equivalents carried forward	880	322
Cash and cash equivalents comprise:		
Cash and bank balances	1,515	1,064
Fixed deposits	279	218
Bank overdrafts	(635)	(742)
	1,159	540
Less: Deposits pledged	(279)	(218)
	880	322

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements 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)

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 3rd quarter ended 31 December 2024 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.

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 financial 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 financial 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 financial 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 financial quarter under review.

A7. Dividend Paid

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

A8. Segmental Reporting

The Group's business segmental information are as follows:

	<u>Revenue</u>		<u>Loss before tax</u>	
	Cumulative Quarter		Cumulative Quarter	
	9 months ended		9 months ended	
	(Unaudited)		(Unaudited)	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Constructions	18,380	21,660	(684)	(893)
Property development	4,200	6,787	238	305
Investment holdings and others	-	8	(1,333)	(1,456)
	<u>22,580</u>	<u>28,455</u>	<u>(1,779)</u>	<u>(2,044)</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 financial quarter under review.

A10. Changes In the Composition of The Group

here were no material changes to the composition of the Group during the current financial 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

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 financial 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").

The outcome of the First EOT Appeal and Second EOT Appeal is still pending, concurrently, both parties are in the midst of negotiating mutual termination. 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 mutual termination will be announced once it has concluded.

A12. Capital Commitments

There were no material capital commitments approved or contracted for as at 31 December 2024.

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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 9 months ended (Unaudited)		
	31-Dec-24	31-Dec-23	Change	31-Dec-24	31-Dec-23	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,335	11,671	-46%	22,580	28,455	-21%
Loss before taxation	(474)	(628)	-25%	(1,779)	(2,044)	-13%
Loss after taxation	(446)	(640)	-30%	(1,751)	(2,056)	-15%
Net loss attributable to owners of the Company	<u>(550)</u>	<u>(708)</u>	-22%	<u>(1,907)</u>	<u>(2,329)</u>	-18%

The Group's revenue for individual quarter and cumulative quarter ended 31 December 2024 was reduced by RM5.34 million, or 46%, and RM5.88 million, or 21%, respectively, as compared to individual quarter and cumulative quarter ended 31 December 2023. The reduction in Group's revenue was primarily due to there is a significant number of projects were approaching completion stage during the financial period ended 31 December 2024, both in construction and property development segments. Besides, the Melaka project had ceased to recognise the revenue as currently the project is in the midst of negotiating mutual termination arrangement.

The loss before taxation for the individual quarter ended 31 December 2024 was marginally reduced by approximately RM154,000, or 25%, as compared to the preceding individual quarter ended 31 December 2023. The declined of loss before taxation mainly due to some of the motor vehicles had fully depreciated and the disposal of office equipment and furniture & fitting of Sabah's branch office, as a results of lesser depreciation charge during the current individual quarter ended 31 December 2024. Additionally, there was an extraordinary professional fee incurred in relation to the proposed joint venture arrangement as well as the CZC court case occurred in the last individual quarter ended 31 December 2023.

Overall, the Group reported a lower loss before taxation of RM1.78 million for the cumulative quarter ended 31 December 2024, a reduction amounting to approximately RM265,000, or 13%, compared to the cumulative quarter ended 31 December 2023. The decline was primarily attributable to professional fees in relation to the joint venture and the CZC court case and the downward adjustment of depreciation due to the closure of the Sabah's branch office and the full depreciated of some the motor vehicles. Moreover, there were higher director fees and GST payable incurred in the preceding cumulative quarter ended 31 December 2023.

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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)		Changes	
	31-Dec-24 RM'000	30-Sep-24 RM'000	RM'000	%
Revenue	6,335	8,945	(2,610)	-29%
Loss before taxation	(474)	(823)	(349)	-42%
Loss after taxation	(446)	(823)	(377)	-46%
Net loss attributable to owners of the Company	<u>(550)</u>	<u>(766)</u>	(216)	-28%

The Group recorded lower revenue of RM6.34 million for the current individual quarter ended 31 December 2024 as compared to RM8.95 million for the immediate preceding quarter ended 30 September 2024. The reduced in Group's revenue of RM2.61 million, or 29%, mainly due to there is a significant number of projects were approaching completion stage under construction division.

The Group's loss before taxation for the current individual quarter ended 31 December 2024 was significant reduced by RM349,000, or 42%, as compared to immediate preceding quarter ended 30 September 2024. This is mainly due to the lower profit contributed from the property development segment as well as the expenses recognised such as AGM related expenses, internal audit fee and training program fees which were incurred in the prior quarter.

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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

We foresee ongoing opportunities for the Group and are confident on building an upward trajectory as the Malaysian economy has grown up from year 2023 as compared to current statistic in year 2024. Progress in new and existing commercial and industrial projects continued to support activity in the non-residential subsector. Growth in the civil engineering and residential subsectors improved but remained subdued.

The Group has been actively and continuously looking out for new opportunities for construction segments. On the construction segment, our Management are actively tendering and negotiating for projects related to earthwork, drainage, roadworks and infrastructure located in West Malaysia.

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 2025.

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

There was no provision for tax in the current quarter as the subsidiaries of the Group have sufficient unutilised tax losses and unabsorbed capital allowances to set off against any taxable profit.

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	(Unaudited)		(Unaudited)	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Corporate tax:				
- current	-	-	-	-
- over/(under) provision in prior years	28	(12)	28	(12)
	<u>28</u>	<u>(12)</u>	<u>28</u>	<u>(12)</u>

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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 31-Dec-24 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Current		
<u>Lease liabilities</u>		
- Hire purchase leases	256	425
- Other leases	293	303
	<u>549</u>	<u>728</u>
<u>Bank borrowing</u>		
- Bank overdrafts	635	755
	<u>635</u>	<u>755</u>
Non-current		
<u>Lease liabilities</u>		
- Hire purchase leases	158	310
- Other leases	658	904
	<u>816</u>	<u>1,214</u>

The Group does not have any foreign currency borrowings as at 31 December 2024. 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.

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 namely "WA-22NCC-763-11/2024" ("**Suit 763**").

INFRAHARTA HOLDINGS BERHAD

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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.

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.

ISB has filed its defence to Suit 535 on 19 November 2024. CZC is due to file its reply to defence on or before 24 December 2024. Any interlocutory applications (if necessary) are to be filed on or before 31 December 2024.

The trial of both Suit 763 and Suit 535 will proceed before the same Judge. Pleadings for both suits have come to a close.

A case management for both suits is scheduled to proceed on 9 April 2025 to obtain directions for trial.

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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)		Cumulative Quarter 9 months ended (Unaudited)	
	31-Dec-24 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-23 RM'000
Net loss attributable to owners of the Company	(550)	(708)	(1,907)	(2,329)
Weighted average number of ordinary shares in issue ('000)	415,944	379,862	415,944	379,862
Basic loss per ordinary share (sen)	(0.13)	(0.19)	(0.46)	(0.61)

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

There was no corporate proposal announced as at the date of this report, except disclosed below:

Private Placement

On 15 January 2024, the Company proposed to undertake a private placement of up to 49,880,000 new ordinary shares ("placement 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.

On 24 January 2024, Bursa Securities had approved the Proposed Private Placement. Further details of the Proposed Private Placement are announced to the Bursa Securities website, https://www.bursamalaysia.com/market_information/announcements/companyannouncement

The following are information in respect of each staggered issuance:

Quarter period	Tranche	Price-fixing date	Issuance date	No. of shares issued and allotted	Issue price and basis
Quarter ended 31 March 2024	First	28 Feb 2024	11 March 2024	21,818,000	RM0.1100*
Quarter ended 30 June 2024	Second	23 May 2024	30 May 2024	12,605,000	RM0.1555#
Total No. of Shares Issued and Allotted				34,423,000	

* Represents discount of approximately 10% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.1219.

Represents discount of approximately 10% to the 5-day volume weighted average market price of the shares immediately preceding the price-fixing date of RM0.1726.

As at 31 December 2024, 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 RM'000	%	Explanation (if "Yet to be utilised" is 5% or more)
	Proposed RM'000	Actual RM'000				
(i) Funding for on-going projects	2,982	2,982	Within 3 months	-	-	-
(ii) Working capital	1,246	1,246	Within 3 months	-	-	-
(iii) Estimated expenses relating to the proposals	132	132	Immediate	-	-	-
Total	4,360	4,360				

On 23 January 2025, the Company decided not to place out the remaining 15,457,000 placement shares out of 49,880,000 placement shares that was approved by Bursa Securities. As such, the Private Placement is deemed completed.

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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)		Cumulative Quarter 9 months ended (Unaudited)	
	31-Dec-24 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-23 RM'000
Loss before taxation is arrived at after charging/(crediting): -				
Depreciation of:-				
- plant and equipment	74	93	247	270
- right of use assets	87	223	341	524
Loss on disposal of plant and equipment	-	-	13	-
Trade payables written off	(27)	-	(47)	-

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 26 February 2025.