

JHC
INFRAHARTA
HOLDINGS BERHAD
200701007217 (765218-V)



24

ANNUAL REPORT

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OUR VISION

**To pioneer diversity and
redefine excellence in
construction.**

OUR MISSION

**We commit to
delivering top-tier
construction services,
fostering integrity,
and contributing to
community prosperity.**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman /
Independent Non-Executive Director

**Dato' Sri Hj. Wan Adnan
Bin Wan Mamat**

Executive Director

Law Ngia Meng

Independent Non-Executive Director

**Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**

Independent Non-Executive Director

Chai Hann Lin

Non-Independent Non-Executive Director

Wong Kwai Wah

Independent Non-Executive Director

**Noor Hazley Zuana
Binti Mamat**

Audit Committee

Noor Hazley Zuana Binti Mamat
Chairperson

Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman

Chai Hann Lin

Nomination Committee

Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman
Chairman

Chai Hann Lin

Noor Hazley Zuana Binti Mamat

Remuneration Committee

Chai Hann Lin
Chairman

Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman

Noor Hazley Zuana Binti Mamat

Risk Management Committee

Chai Hann Lin
Chairman

Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman

Law Ngia Meng

Registered Office

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

Email: contact@datamet.com.my

Tel : +603-2715 5569

Fax : +603-2714 4412

Company Secretary

Ms. Chin Li Thing
(MAICSA 7044467)
(SSM PC No. 201908000022)

Share Registrar

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur

Email: ir@shareworks.com.my

Tel : +603-6201 1120

Fax : +603-6201 3121

Auditors

Russell Bedford LC PLT
(LLP0030621-LCA & AF1237)
Chartered Accountants
Suite 37, Level 21, Mercuri 3,
No. 3, Jalan Bangsar, KL Eco City,
59200 Kuala Lumpur

Email: mail@russellbedford.com.my

Tel : +603-2202 6666

Fax : +603-2202 6688

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Stock Name : IHB

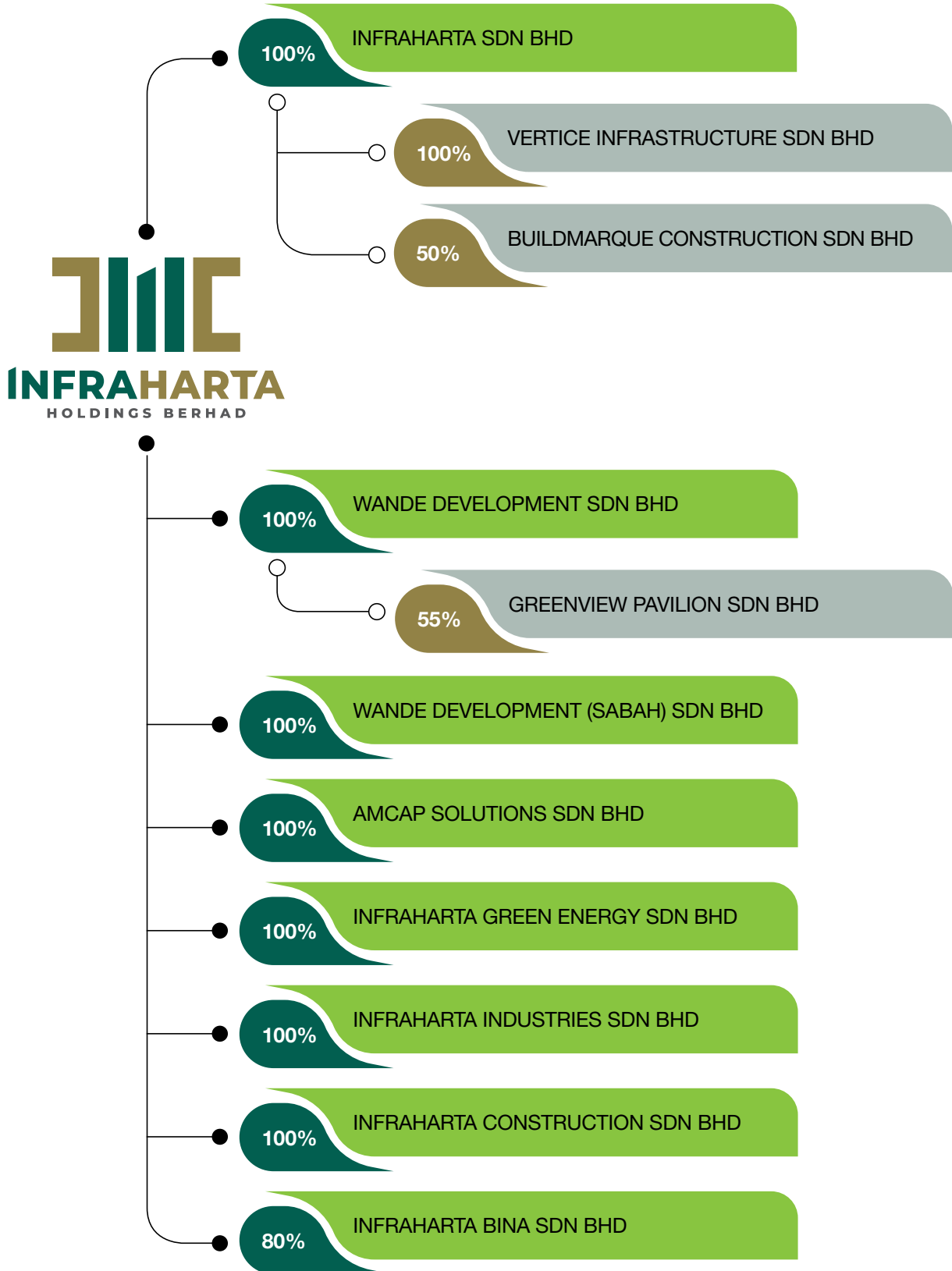
Stock Code : 7240

Website

www.infracarta.com



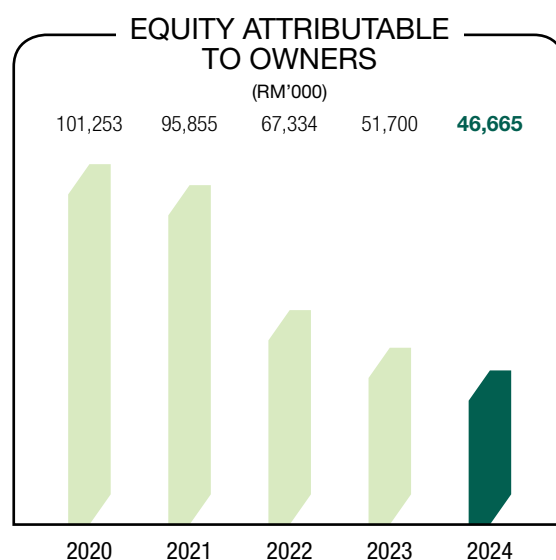
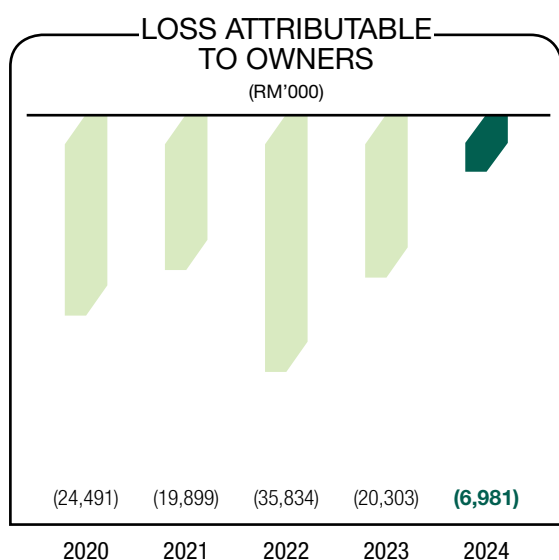
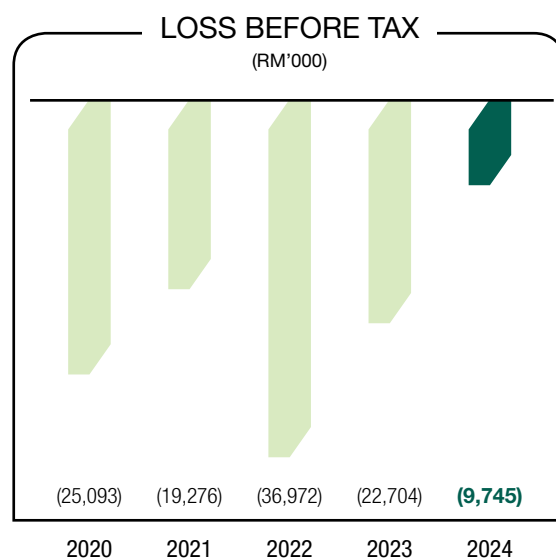
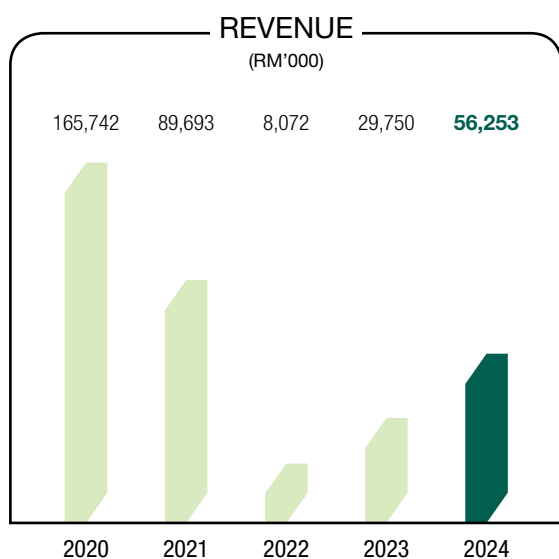
CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

	For Year Ended 31 March				
	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024
Revenue	165,742	89,693	8,072	29,750	56,253
Loss Before Tax	(25,093)	(19,276)	(36,972)	(22,704)	(9,745)
Loss Attributable To Owners of the Company	(24,491)	(19,899)	(35,834)	(20,303)	(6,981)
Equity Attributable To Owners of the Company	101,253	95,855	67,334	51,700	46,665

Remark: Above financial highlights include Disposal Group, Kumpulan Voir Sdn. Bhd. from financial year ended 31 March 2020 to 2021.





BOARD OF DIRECTORS' PROFILE

DATO' SRI HJ. WAN ADNAN BIN WAN MAMAT

SSAP, SIMP, DSAP, DIMP

Independent Non-Executive Chairman

Nationality: Malaysian **Age:** 64 **Gender:** Male

Dato' Sri Hj. Wan Adnan Bin Wan Mamat was appointed to the Board as an Independent Non-Executive Deputy Chairman on 07 October 2021. On 25 August 2022, he was re-designated as an Independent Non-Executive Chairman of the Company. He holds a Bachelor degree in Business Administration from University of Kyoto, Japan.

He began his career as Corporate Manager of Ramada Beach Resort Kuantan from 1986 to 1993 before joining the Pahang Chief Ministers Office as Economic Advisor to the Chief Minister until 1996. From 1996 to 1999, he was appointed as Vice President of the Kuantan Municipal and from 1999 to 2004, was the Political Secretary to the Ministry of Information, Malaysia. During PRU11, he contested and won the P82 seat, Indera Mahkota, and was subsequently elected as a Member of Parliament for the term from 2004 to 2008. He was appointed as a board member of Inno Biologic Sdn. Bhd. from 2005 until 2012. During PRU12, he was also appointed as a State Executive Committee (EXCO) member, heading the Pahang State Youth and Sports Committee. During his tenure as EXCO Pahang, he had successfully led the State Government to organise Sukan Malaysia (SUKMA) in Kuantan in 2012.

After the 13th General Election, Dato' Sri Hj. Wan Adnan focused his path in the corporate world. He was appointed as Chairman for MMN Bina Sdn. Bhd., a successful construction company in Pahang until 2015. He was also the chairman of the Malaysia Aviation Training Academy (MATA) which is in Kuantan. Apart from that, since 2014, he has been one of the directors to Sungei Wang Group, a company based in Kuala Lumpur which is involved in property development, amongst others. He was appointed to the Board of KNM Group Berhad, an Oil and Gas company listed in Bursa, as its Independent Non-Executive Director from 2014 to 2018. He is involved in property development through Casa Inspirasi Sdn. Bhd., and in the Smart City and Energy Industry through Kiwi Group, where he was appointed as the Group Chairman in March 2020.

Dato' Sri sits on the board of a few private limited companies involved in property development, construction, agriculture, and trading. He is a director of a subsidiary of Royal Pahang Durian Group, having a joint venture with Pahang State Agriculture Development Corporation to restructure and develop the Musang King durians industry in Pahang. Also, he is an independent director of Magna Prima Berhad, an investment holding company which, through its subsidiaries, provides a diverse range of property development, building construction, trading, and management services.

LAW NGIA MENG

Executive Director

Nationality: Malaysian **Age:** 50 **Gender:** Male

Law Ngia Meng was appointed to the Board on 07 October 2021. He is a member of Risk Management Committee. He graduated with a bachelor's degree in Applied Computing from Lincoln University, Christchurch, New Zealand in 1999 and further obtained a Certificate in Horticulture that same year.

In 1999, he was appointed the General Manager at Syarikat Kai Nguong Nursery, one of the largest landscapes and plant nursery in Sabah. He was involved in many landscape beautification projects such as Sutera Harbour Resort, Shangri-La's Rasa Ria Resort, Kota Kinabalu International Airport, as well as the landscape maintenance of prominent buildings such as Dewan Undangan Negeri Sabah and Kementerian Kewangan. In 2003, he incorporated Garden Culture Sdn. Bhd., a garden supplies retailer and wholesaler.

Thereafter, he diversified and ventured into the construction and property development industry. Currently, he is also involved in the strategic planning of LL Prospects Sdn. Bhd., a company focused on the oil palm plantation industry.

PROFILE OF DIRECTORS

(CONT'D)

DATO' DR. HJ. SHAMSUL ANWAR BIN SULAIMAN

DIMP, DPMP, AMS, PPT

Independent Non-Executive Director

Nationality: Malaysian **Age:** 63 **Gender:** Male

Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman was appointed to the Board on 25 January 2022. He is the Chairman of the Nomination Committee and a Member of Audit Committee, Risk Management Committee and Remuneration Committee. He holds a Bachelor Degree in Medicine from the University of Leuven, Belgium. Subsequently, he obtained his Master of Business Administration (Healthcare) from Universiti Teknologi Malaysia (UTM) Skudai, Johor. He is a registered member with the Malaysian Medical Council.

He currently also practices medicine at the Famili Clinic Group. During the COVID-19 pandemic, he was specially invited by Ministry of Health Malaysia (MOH) to serve as a volunteer doctor at the Putrajaya Hospital and Shah Alam Hospital, as well as a few quarantine hotels under MOH.

In the social sphere, he is involved with Lembaga Kooperasi Permodalan Felda 2 Berhad, Yayasan Pembangunan Generasi Felda Malaysia, Gabungan Wawasan Generasi Felda Malaysia, Majlis Belia Felda, Perak, to name a few. He is also the Managing Director of Liga Bolasepak Rakyat (LBR) and Kumpulan Klinik Famili.

He is currently the Executive Director of Executive Chairman Office of Puncak Niaga (M) Sdn. Bhd., Director of Institute Teknologi Utama Felda and Felda Properties Sdn. Bhd. He also sits on the Board of AWC Berhad since August 2022.

CHAI HANN LIN

Independent Non-Executive Director

Nationality: Malaysian **Age:** 48 **Gender:** Male

Chai Hann Lin was appointed to the Board on 07 October 2021. He is the Chairman of both Risk Management Committee, Remuneration Committee and a member of both Audit Committee and Nomination Committee. He obtained his Masters in E-Commerce and Information Technology from University of Central Oklahoma.

From 1999 to 2007, he was the Business Intelligence Software Developer for USA-based American Cancer Society. Subsequently, from 2008 to 2011, he was involved in Business Development of CIS Resources, a multi-national company with presence in China, Kazakhstan and Malaysia.

In 2011, he joined OOHM International Holdings Sdn. Bhd. as the Chief Technology Officer and in 2016, he was appointed the Chief Executive Officer. He is currently the IT Director of Borneo Smart Tech Sdn. Bhd. and Managing Director of Matrix Edge Venture Sdn. Bhd. He also serves as the ICT Advisor/IT Consultant to Yayasan Sabah Group, a state sanctioned organisation that was developed to promote educational and economic opportunities for its people.



PROFILE OF DIRECTORS

(CONT'D)

WONG KWAI WAH

Non-Independent Non-Executive Director

Nationality: Malaysian **Age:** 67 **Gender:** Male

Wong Kwai Wah was appointed to the Board on 19 July 2016. He is a member of Chartered Accountants Australia and New Zealand, a member of Malaysian Institute of Accountants and a member of Chartered Tax Institute of Malaysia.

Mr. Wong began his career with Messrs Ernst & Young upon graduating with a Bachelor of Commerce from University of Canterbury, New Zealand. Geared with a proven ability to constantly challenge and improve existing processes and systems, he subsequently moved on to hold several key positions such as Finance Director in the Malaysia Subsidiary of Goodman Fielder Wattie Australia and Senior General Manager of Larut Consolidated Bhd., a company principally involved in the provision of property development and construction activities.

Having excellent communications skills and the ability to communicate professionally with clients and colleagues on detailed financial issues, he subsequently took on the position of Executive Director and Chief Executive Officer of Jackley Holdings Limited, a Hong Kong Public Listed Company.

NOOR HAZLEY ZUANA BINTI MAMAT

Independent Non-Executive Director

Nationality: Malaysian **Age:** 37 **Gender:** Female

Noor Hazley Zuana Binti Mamat was appointed to the Board on 21 February 2023. She is the Chairperson of Audit Committee and a member of both Remuneration Committee and Nomination Committee. She obtained her Bachelor of Accounting [Hons.] from Universiti Teknologi MARA (UiTM), Perlis. She was admitted as a Chartered Accountant and she is currently a member of the Malaysian Institute of Accountants (MIA).

She began her career as an Audit assistant in 2010 with PS Yap & Associates and she has over thirteen (13) years working experience in operational finance commencing from a medium sized audit firm and private limited companies specialising in construction and property management sector.

She is currently an Account Manager cum Human Resource Manager of Danau Lumayan Sdn. Bhd., a property developer and structural and general construction works and consultancy services.

None of the Directors has:-

- a) any family relationship with director and/or major shareholder of the Company;
- b) any conflict of interests or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries;
- c) other than traffic offenses, any conviction for offenses within the past five (5) years; and
- d) any public sanction or penalty imposed by the relevant regulatory bodies during financial year.

KEY MANAGEMENT PROFILE

SEOW WEN JUN

Group Head of Corporate Affairs

Nationality: Malaysian **Age:** 39 **Gender:** Male

Seow Wen Jun was appointed as Head of Corporate Affairs on 1 October 2021. Having graduated from University of Melbourne, Australia with a Bachelor Degree in Commerce, he spent most of his career in the financial industry. He started off in the corporate finance department of Public Investment Bank, covering from scheme origination to preparation of submission to the Securities Commission and Bursa Malaysia.

In his career, he has also been exposed to various corporate exercises including Initial Public Offering, secondary fundraising, Mergers & Acquisition ("M&A") and Take-Overs. Working in a venture capital firm as a project manager, he mainly dealt with M&A and due-diligence work. Thereafter, he joined a boutique corporate advisory firm, servicing clients from Malaysia and China. His main job scope was scheme origination and liaison between clients and professionals such as bankers, legal counsels and auditors.

Subsequently, he joined an international financial trading platform, as a speaker exploring and servicing different markets. He was then promoted to the senior management and participated in strategizing the group's direction, branding and human resources. Currently, he is also an Independent Director of a US-OTC listed company, chairing the Audit Committee and Nominating Corporate Governance Committee.

He currently oversees all internal and external communications, business development, public affairs and investor relations, as well as strategizing and planning of corporate exercises of the Group.

TEH CHUI WEI

Group Head of Finance

Nationality: Malaysian **Age:** 40 **Gender:** Female

Teh Chui Wei was appointed as Head of Finance on 1 February 2023. She is a member of the Malaysian Institute of Chartered Accountants since 2011 and Fellow of the Association of Chartered Certified Accountant, UK since 2012.

Prior to the role of Head of Finance in Infraharta Holdings Berhad, she was the group accountant of a listed company on the Main Board of Bursa Malaysia Securities Berhad. She has more than ten (10) years audit experience in a large international accounting firms in which strong focus on statutory audit and regulatory compliance of listed companies from various industries such as REIT, construction, manufacturing, aquaculture, plantation, logistic, information technology and etc. Apart from audit background, she has involved wide range of experiences such as special reporting to international companies, due diligent review, corporate exercises covering initial public offerings, reverse takeover and others.

She currently oversees all financial related matters of the Group, including funding requirements, audit, tax, budgeting, internal controls and risk management; while ensuring compliance with all the Bursa listing requirements and the financial reporting standards in respect of announcements and financial reporting.



KEY MANAGEMENT PROFILE

(CONT'D)

CHANG CHEE HONG

Head of Contract

Nationality: Malaysian **Age:** 64 **Gender:** Male

Chang Chee Hong was appointed as Deputy Project Director on 1 October 2021 and subsequently reappointed as Head of Contract on 1 April 2022. He holds a Diploma in Building Technology from Tunku Abdul Rahman College, Malaysia.

He started his career in 1988, initially involved with site works for three (3) years. Ever since he diverted his career path towards contract administration, he was exposed to various types of works including building works, civil and structural works, slope stabilization, dredging and reclamation.

He was attached to Ken Grouting Sdn. Bhd., a subsidiary of Ken Holdings Bhd. for almost twenty-one (21) years. Ken Holdings Bhd. is involved in development and construction. Apart from contract administration, he has exposure in facilities management and managing fit-out works.

Currently, he is also assigned to oversee projects in Sabah, monitoring of development projects, and pre & post contract, project budgeting and etc.

LEONARD LONG SEE HOW

Senior Project Manager

Nationality: Malaysian **Age:** 59 **Gender:** Male

Leonard Long See How was appointed as Senior Project Manager on 16 March 2023. He graduated from Chisholm Institute of Technology in Australia with a Bachelor's Degree in Engineering. He started his career in 1989 as a Project Engineer mainly involved in project and site management. He has over thirty (30) years of experience and an extensive knowledge of the construction and property development industry.

He was the Senior General Manager of XP Builder Sdn. Bhd. for seven (7) years from 2015 to 2023, in which he was responsible for project and site management.

He is currently assigned to oversee construction projects.

None of the Key Management has:-

- a) any family relationship with director and/or major shareholder of the Company;
- b) any conflict of interests or potential conflict of interest, including interest in any competing business that the person has with the Company or its subsidiaries;
- c) other than traffic offenses, any conviction for offenses within the past five (5) years; and
- d) any public sanction or penalty imposed by the relevant regulatory bodies during financial year.

MANAGEMENT DISCUSSION & ANALYSIS

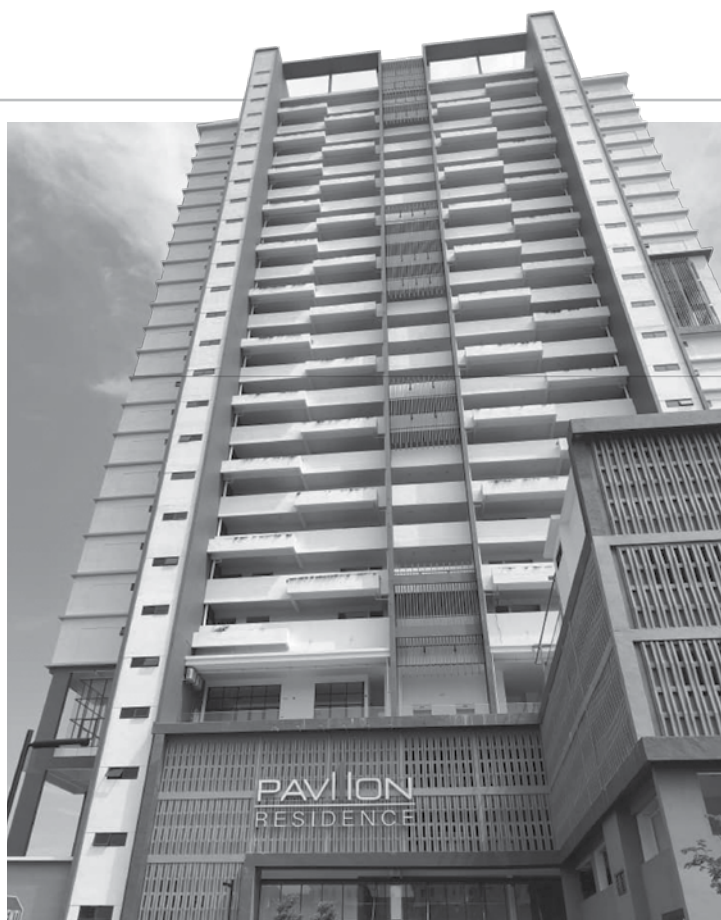
OVERVIEW OF BUSINESS OPERATIONS

INFRAHARTA HOLDINGS BERHAD and its subsidiaries (“Infraharta”, “our”, “we” or “the Group”) principally involved in construction of buildings and other engineering projects, property development, investment properties and investment holding as well as money lending business.

The Group ventured into property development through its wholly owned subsidiary, Wande Development Sdn. Bhd., which holds 55% stake in Greenview Pavilion Sdn. Bhd. whose principal activities are property development and property investment holdings. Greenview Pavilion Sdn. Bhd. presence development of 1 tower with 26 storey, with only 4 units per floor high-rise residential known as Pavilion Residence strategically located in Seberang Perai Tengah, Penang, with a total gross development value of approximately RM49 million. The Group targeted to obtain the Certificate of Completion and Compliance on July 2024.

In financial year 2023 (“FY 2023”), Infraharta marked a significant transition to the endemic management of Covid-19, signalling the beginning of Malaysia’s economic recovery. With the lifting of pandemic restrictions, business activities ramped up, and the national government focused on reviving infrastructure and construction sectors to jump-start economic recovery. However, this period was not without its challenges. The Group faced a massive shortage of labour, a surge in raw material prices, increased costs due to pandemic prevention measures, and difficulties in adhering to project schedules.

Looking ahead, the construction industry in Malaysia is poised for substantial growth in year 2024. The government’s continued emphasis on infrastructure development, coupled with foreign investments, is expected to drive demand in the sector. Major projects such as the East Coast Rail Link (“ECRL”), MRT3, and various highway expansions are anticipated to generate significant opportunities for construction companies.



The Malaysian government has also introduced several initiatives to boost the construction sector, including increased budget allocations for public infrastructure and housing projects. These initiatives are expected to stimulate economic activity and create a favourable environment for growth in the construction industry.

For the financial year 2024 (“FY 2024”), Infraharta is well-positioned to capitalize on the anticipated growth in Malaysia’s construction sector. Our strategic initiatives include:

Diversification of Project Portfolio: Expanding our portfolio to include high-value infrastructure projects and sustainable building developments.



MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

OVERVIEW OF BUSINESS OPERATIONS (CONT'D)

Strengthening Supply Chains: Building robust supply chain networks to mitigate risks associated with material shortages and price volatility.

Talent Development: Focusing on workforce capability and training to ensure a skilled and adaptable labour force.

In conclusion, Infraharta is committed to navigating the evolving economic landscape with agility and foresight. We are confident that our strategic initiatives will drive sustainable growth both in construction and property development activities and enhance shareholder value in the coming years.

The on-going construction projects in the current financial year include:

1. Maintenance works at Dandulit and associated roads in Sungai Manila area, Sandakan worth RM6.43 million;
2. Slope repair work at Jalan Kiau Toburi Paka, Kota Belud, Sabah worth RM19.39 million on design and build including supply of materials, labour, machinery, equipment, and fabrication works;
3. Slope repair works at Jalan Tamparuli, Kiulu, Tuaran, Sabah worth RM10.20 million on design and build including supply of materials, labour, machinery, equipment and fabrication works;
4. Road building works connecting Felda Bukit Jalor to Gemas, Negeri Sembilan worth RM45 million;
5. Basement & lower ground slab work at Jonker Walk 2 including retaining wall up to Ground Level worth RM20.97 million; and
6. Video Surveillance system for Rapid Transit System Project (“RTS”) between Malaysia – Singapore worth RM6.48 million.



MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)





MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

FINANCIAL PERFORMANCE

	FY 31 March 2024	FY 31 March 2023
	RM'000	RM'000
Revenue	56,253	29,750
Loss before tax	(9,745)	(22,704)
Loss attributable to the owners of the Company	(6,981)	(20,303)
Net assets per share attributable to owners of the Company (sen)	11	14

	Construction RM'000	Property Development RM'000	Investment Holdings and Others RM'000	Total RM'000
FY 2024				
Revenue	47,455	8,790	8	56,253
Loss before tax	(8,605)	620	(1,760)	(9,745)
Segmental total assets	52,805	27,751	5,451	86,007
Segmental total liabilities	27,255	15,504	271	43,030
FY 2023				
Revenue	23,562	6,149	39	29,750
Loss before tax	(16,630)	(2,340)	(3,734)	(22,704)
Segmental total assets	54,799	26,763	7,387	88,949
Segmental total liabilities	20,988	16,487	275	37,750

Revenue

Despite the tough global economic conditions, Infraharta has shown remarkable resilience, achieving an increase in revenue to RM56.25 million for FY 2024 from RM29.75 million in FY 2023. This growth was supported by strong performance in construction and property sales, further bolstered by unbilled sales totalling RM41.58 million as at 31 March 2024.

In FY 2024, the Group reported construction revenue of RM47.46 million, a significant increase from RM23.56 million in FY 2023. This rise was primarily driven by several key projects, such as the Jonker Walk 2 project in Melaka, the construction of a new road linking Felda Bukit Jalor to Gemas in Negeri Sembilan, and design and build slope repair projects spanning 5.9km to 6.0km at Jalan Kiulu, Tuaran Sabah, slope repair projects spanning 0.6km to 1.0km at Jalan Kiau Toburi Paka, Kota Belud in East Malaysia. These projects collectively reached an optimal progress level as compared to the previous FY 2023.

Additionally, the Pavilion Residence project within the property development segment contributed RM8.79 million (2023: RM6.15 million) or 16% to the Group's revenue.

However, it's noteworthy that the termination of contracts with Consortium Zenith Construction Sdn. Bhd. for the Penang highway project prompted an assessment by an independent construction claim consultant in FY 2023, which caused a revenue reversal of RM8.72 million in the FY 2023.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

FINANCIAL PERFORMANCE (CONT'D)

Revenue (Cont'd)

Notwithstanding additional challenges, the Group successfully secured a new construction project, the video surveillance system for Rapid Transit System Project ("RTS") between Malaysia – Singapore worth RM6.48 million in the first quarter of the current financial year. This accomplishment bolstered our order book, and we continue to actively pursue new contracts. Furthermore, the property development segment obtained a certificate of practical completion in December 2023, with revenue from this segment expected to be fully recognized in the next financial year ending 2025. With our current operational framework in place, we maintain a cautiously optimistic outlook regarding our future performance, anticipating a gradual recovery in the overall economic environment.

Loss Before Tax

The Group recorded loss before tax of RM9.75 million in the current financial year as compared to loss before tax of RM22.70 million in the preceding financial year. The lesser of Group's loss before tax FY 2024 as compared to previous FY 2023 mainly due to the following items:

- No impairment loss on goodwill on consolidation recognised in FY 2024 (FY 2023: RM1.27 million);
- The downward adjustment to revenue recognized in FY 2023 totalled RM8.72 million, primarily resulting from the mutual termination of Package 2 of the Penang Mega Infrastructure Project in December 2021;

Loss Before Tax (Cont'd)

- allowance for expected credit losses recognised of approximately RM8.05 million (FY 2023: RM9.14 million) attributable to long outstanding trade receivables carried forward from terminated projects in previous years; and
- professional fee incurred on preliminary evaluation conducted to assess the potential feasibility of converting the 26-storey Greenview condominium project within the property development segment in FY 2023 amounted to RM1.24 million.

Liquidity and Capital Resources

As at 31 March 2024, the Group held RM1.78 million in cash and bank balances, slightly lower than the RM1.79 million recorded at the end of the previous financial year. Combined with existing tradelines and overdraft facilities amounting to RM2.50 million, these resources support the Group's operational stability. As at 31 March 2024, the Group's overdraft stood at approximately RM755,000.

The Group primarily allocates its capital expenditure to essential business assets like right-of-use assets for offices and motor vehicles, as our projects are typically outsourced.

As at 31 March 2024, the Group's share capital totalling RM148,212,741 comprising 405,997,719 number of shares with a net asset value of RM0.11 per share.

ANTICIPATED OR KNOWN RISKS

While we maintain cautious optimism regarding the ongoing geopolitical tensions, it's crucial to acknowledge the prevailing uncertainty and fragility in the global and domestic economic landscape. Various challenges, including inflationary pressures, currency depreciation, supply disruptions, and labour shortages, continue to contribute to a volatile and unpredictable business environment. However, we remain vigilant and are implementing strategies to mitigate potential risks, ensuring the resilience and adaptability of our operations.

We are cognizant of risks that could significantly impact our operations, financial performance, and capital liquidity. These risks include overall economic conditions, government policies related to the real estate market, interest rate hikes, mortgage lending policies of financial institutions, as well as fluctuations in construction materials prices and labour availability.

Risk management processes are embedded in our operating and business management processes as we actively identify major risks with the appropriate mitigating controls in place, and continuously monitor the effectiveness of such controls. The identified risks are classified by type and rating which is based on likelihood of occurrence and its corresponding impact on the financials in the event of occurrence. Those risks with higher likelihood and greater impact will be closely monitored together with their existing control in place. From the Enterprise Risk Management Report on August 2023 conducted by Internal Auditor, a total of 18 risks were identified out of which there are no high risk being identified, nevertheless, the following 5 risks were rated as moderate high risk:



MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

(i) Market risk

Our business is essentially project based and therefore, there must always be new projects coming on stream for sustainability. To mitigate this, the Group is encouraged to set up a marketing plan for next one year which will help to track and monitor the progress and the development of the marketing plan.

(ii) Economic environmental risk

This relates to the unfavourable and challenging overall economic environment. To mitigate this, the Group may need to set up a core team from tender or business development and operations to track economies environment and updates in the market, and report to the Board of Directors. The management would monitor the milestone to ensure the roadmap has been realistically achieved and review the effectiveness of the plan constantly.

(iii) Competition risk

This relates to intense competition for sales. To mitigate this, the Group needs to have more feasibility studied and research to ensure tender on the projects to achieve the Group's strategy in order to mitigate competition risks.

(iv) Continuity risk

This relates to the loss of key personnel without succession planning in place. To mitigate this, the Group needs to establish a Succession Planning Policy for key management and core departments. Furthermore, The Management would ensure that succession planning is linked to other talent management processes and practices, including job titling, training, compensation, learning and development and rewards and recognition.

(v) Compliance with regulatory authorities

This relates to the inability to comply with Bursa regulations leading to penalties/fines/PN 17 status. To mitigate this, the Group should continue monitoring the listing requirement to mitigate the risk of failure to comply Bursa Malaysia requirement.

There were also no fundamental weaknesses which could not be rectified, and which have significant impact on the Group.

To address these challenges, the Management are actively monitoring and continuously assessing these risks to ensure appropriate measures are in place to mitigate their potential impact. Additionally, the Group maintain open lines of communication with relevant stakeholders, stay informed about market trends and regulatory changes, and adapt our strategies accordingly to navigate through potential challenges.

FORWARD LOOKING STATEMENT

The Malaysian economy is poised for a rebound, with growth projected to range between 4.0% and 5.0% in 2024, following a modest expansion of 3.6% in 2023, falling short initial expectations, as reported by Bank Negara Malaysia. The global economy is expected to remain sustained, supported by moderating inflation, resilient labour markets and a rebound in global trade. The impact from tight monetary policy is expected to dissipate towards the second half of 2024. Global inflation would likely moderate further, though upside risks from higher commodity prices have risen.

We foresee ongoing opportunities for the Group and are confident on building an upward trajectory as the Malaysian economy grew by 4.2% in the 1st Quarter of 2024 (4Q 2023: 3.6%). The construction sector contracted at a surprise pace of 11.9% in the 1st Quarter of 2024 (4Q 2023: 6.1%). 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.

Under Budget 2024, the Malaysian Government has earmarked a record-high allocation of RM393.8 million for infrastructure development, emphasising projects spanning transportation, energy and social infrastructure. Furthermore, promoting eco-friendly construction practices by the Federal Government Bodies well for green construction incentives. With the incessantly developments present a plethora of opportunities for the engineering and construction, which has been steadfast in its efforts to upgrade capabilities and improve cost efficiencies amid challenges posed by escalating material costs and labour shortages. The Group has been actively and continuously looking out for new opportunities for both its construction and property development segments. On the construction segment, we are actively tendering and negotiating for projects also related to earthwork, drainage, roadworks and infrastructure located in West Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

FORWARD LOOKING STATEMENT (CONT'D)

Buoyed by the success of our Pavilion Residence property development project in strategic location and with affordable price points, Infraharta’s property development division 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. In addition, the provision of public housing will also be improved while the rental market will be revitalised to meet the demand. The Government will also facilitate the buyers to secure home financing by providing up to 120% credit guarantee under the Syarikat Jaminan Kredit Perumahan Berhad. With the government incentives and expected economic recovery, we are look forward to maintain positive outlook for residential property industry.

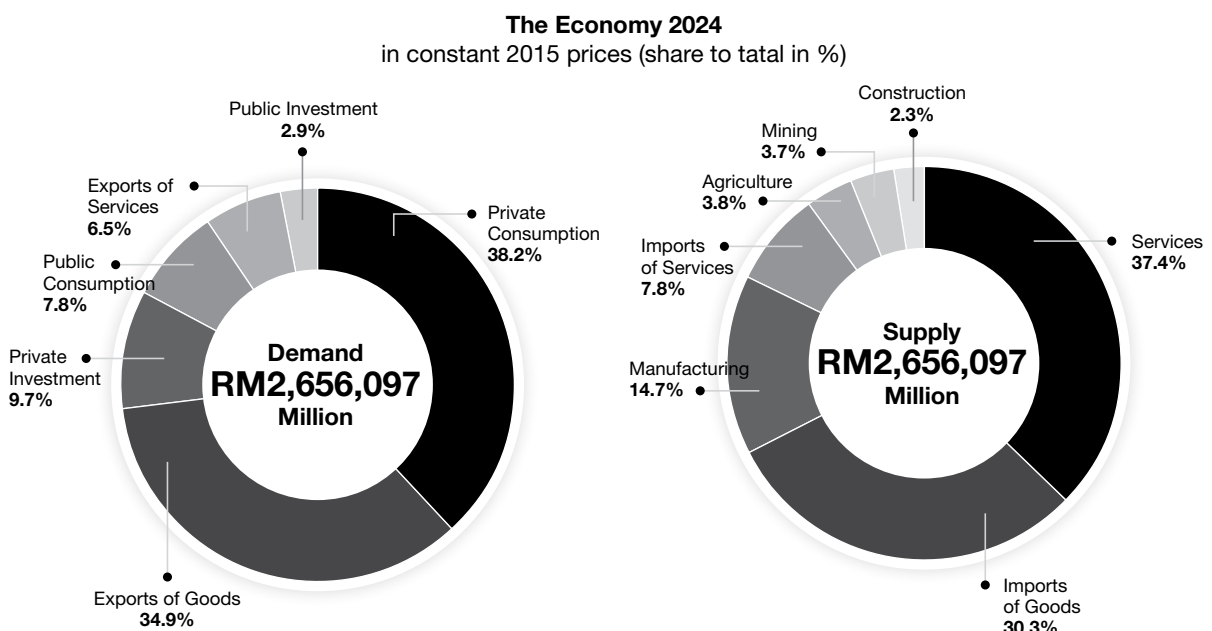
Barring any unforeseen circumstances, the Board and Management of Infraharta are cautiously optimistic on its future prospects and sustainability for both segments with the financial capacity to raise funds as and when required through corporate exercises on a new chapter in financial year ending 2025.

ECONOMIC OUTLOOK OF MALAYSIA

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include ECRL and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities.

The sector is forecast to expand by 5.9% in the second half of the year supported by growth in all subsectors. The residential buildings subsector is anticipated to remain encouraging on the back of Government’s initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. The continuous implementation of strategic infrastructure and utilities projects will further support the civil engineering subsector. For the year, performance of the sector is expected to remain steady and grow by 6.3%.

Malaysian construction industry is expected to grow by 4.4% in real terms in 2024, supported by an increase in foreign and domestic investment in the country and an acceleration of works on several infrastructure and energy projects.





MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

ECONOMIC OUTLOOK OF MALAYSIA (CONT'D)

The Malaysian Investment Development Authority reported that the government had approved 5,101 foreign investment projects totalling RM329.5 billion in 2023. Pulau Pinang accounted for the highest proportion of Foreign Direct Investment in Malaysia, at RM71.9 billion, followed by Wilayah Persekutuan Kuala Lumpur at RM58.3 billion, Selangor at RM55.3 billion, Johor at RM43.1 billion, and Kedah at RM28.7 billion. The construction industry's growth in 2024 will also be supported by works funded by Malaysia's largest ever government budget, of RM393.8 billion.

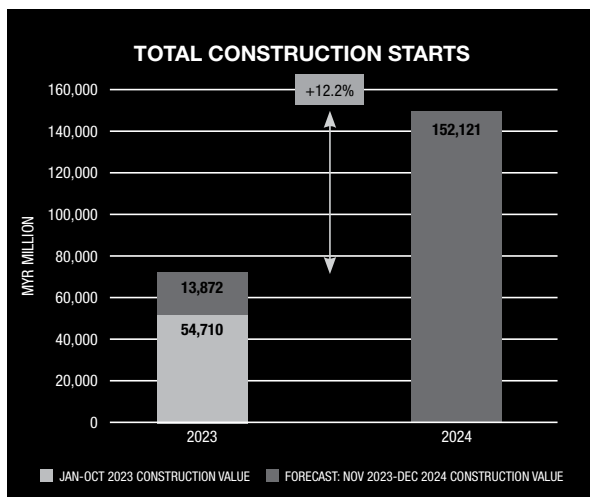
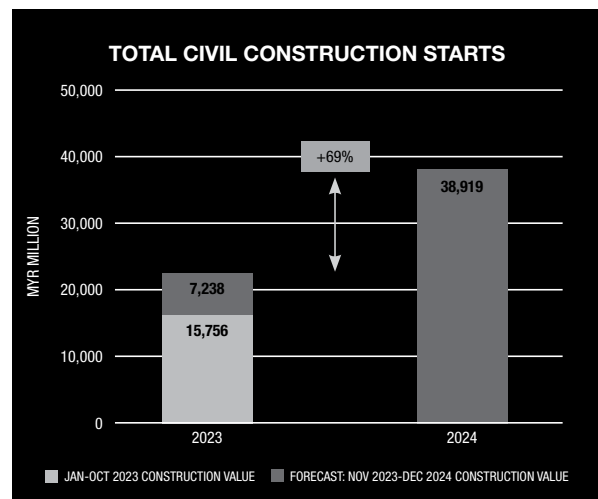
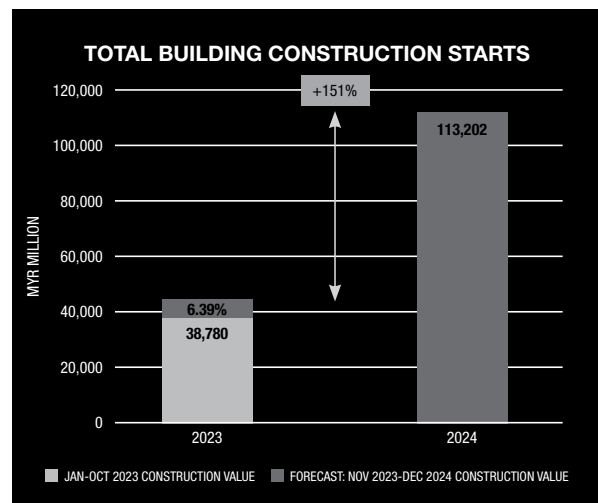
The construction industry is expected to register an annual average growth rate of 5.7% between 2025 and 2028, supported by investment in leisure and hospitality infrastructure, manufacturing facilities, roads and renewable energy projects. In September 2023, the government announced that RM95.0 billion would be invested through the New Industrial Master Plan until 2030 to expand the industrial sector and support the growth of the export sector.

While the civil sector represented the largest share of government-initiated projects, it experienced a gradual slowdown, primarily attributed to government scrutiny and cautious spending practices. Despite this, the government has taken significant steps towards enhancing public transportation and boosting economic growth in the region with various national infrastructure projects, including the 5G network rollout, which will meet the increasing demand for data centres in the Asia Pacific region; and Mass Rapid Transit ("MRT") extension, which is expected to create many jobs during its construction phase. The advent of public transportation projects has ignited a pipeline of transit-oriented developments in Klang Valley and along the intercity rail links, serving as catalysts for real estate revitalisation in the surrounding areas.

OVERVIEW 2023

Continuing the growth momentum from 2022, the Malaysian construction industry has experienced significant positive shifts in 2023, with a total value of RM54.71 billion worth of projects realised from January to October 2023.

The private sector made a significant comeback following the pandemic-induced lockdowns. It emerged as the primary contributor to construction growth. Key private sector projects that fuelled this resurgence included high-rise residential development incorporating mixed-use concepts, fast-tracked industrial projects driven by supply chain optimisation, and data centre developments.



MANAGEMENT DISCUSSION & ANALYSIS

(CONT'D)

FORECAST 2024

Deputy Works Minister Datuk Seri Ahmad Maslan said that the outlook for Malaysia's construction industry is expected to improve further entering the second half of 2024 ("2H24"). He said this because construction works, especially those involving allocations from the government, will begin to enter the implementation phase. He added that, for example, several multi-billion ringgit packages allocated for the Pan Borneo Highway will have their contractor proposals finalised in June or July.

"Additionally, infrastructure projects such as schools, hospitals, clinics, and roads are also in the pipeline. Letters of acceptance for these development projects will be issued soon. Therefore, we believe that the pace of development in the second six months of 2024 will have a multiplier effect on all parties involved. There are many networks and hundreds of components used for the construction of each building or structure, providing a positive spillover effect to stakeholders,"

Looking ahead, Ahmad Maslan said the country's construction sector will continue growing positively this year, spurred by a budget allocation totalling RM180 billion for development works. He noted that the construction sector is driven by two large fund allocations from the 2024 budget, totalling RM90 billion for development expenditure.

"This RM90 billion is the amount allocated for the construction industry by the government for this year, of which 40 per cent will be implemented in 2H24. When I spoke to the Construction Industry Development Board ("CIDB"), they said there is another RM90 billion from the private sector, making a total of RM180 billion for the construction sector from both government and private sectors available to be captured. Therefore, the construction sector will become more active in 2H24 when many regular open tenders and pre-qualified selected tenders will be announced by the government," he added.

Meanwhile, Ahmad Maslan also mentioned that his ministry will propose the use of closed-circuit television ("CCTV") surveillance at construction sites to ensure government projects run smoothly and according to schedule. He said this is to make sure that appointed contractors carry out their responsibilities properly and adhere to the established timelines.

"I think it's a good proposal to implement and involves a reasonable cost. Monitoring can be done simply through smartphones," he noted.

Malaysian Industrial Development Finance Bhd.'s chairman Tan Sri Abdul Rahman Mamat said the use of technology and automation can benefit the construction sector through increased productivity and quality, making it more competitive internationally. He said that, as such, stakeholders, along with sector players, must align efforts to empower the sector in line with digital economic demands to achieve the goals of the National Construction Policy ("NCP") 2030.

"Digitalisation, driven by Industry Revolution 4.0, is reshaping the construction landscape, reducing reliance on human resources, and enhancing operational efficiency. It facilitates quicker data sharing, enabling more informed decision-making by stakeholders," he added.

Abdul Rahman also emphasised that the consistent expansion of Malaysia's economy has laid a robust foundation for the development of its construction sector. He said this economic growth has spurred a heightened need for residential, commercial, and industrial structures, along with a surge in investment in infrastructure projects.

The NCP 2030 is one of the key initiatives by the government to modernise and transform the construction sector through digitalisation. The policy acts as a roadmap for inclusive and sustainable national development by 2030, serving as a reference guide for both the public and private construction sectors.

(source 1: <https://finance.yahoo.com/news/malaysia-construction-industry-report-2024-131100045.html?>)

(source 2: <https://www.constructionplusasia.com/my/malaysia-construction-review-2023-and-forecast-2024/>)

(source 3: <https://www.nst.com.my/business/corporate/2024/05/1048383/malysias-construction-sector-continue-growth-second-half-2024>)

(source 4: <https://www.parlimen.gov.my/ipms/eps/2023-10-13/CMD31.2023ENG.pdf>)

(source 5: https://www.bnm.gov.my/documents/20124/14443389/qb24q1_en_book.pdf)



SUSTAINABILITY STATEMENT



This Sustainability Statement presents information pertaining to the sustainability practices and policies of Infracarta Holdings Berhad (“Infracarta” or “the Company”) and its subsidiaries (collectively referred to as “the Group”).

This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”). This Sustainability Statement continuously embraces sustainability in its business operations through our commitments in delivering economic growth, conserving the environment, and contributing positively to the society covers the reporting period from 1 April 2023 to 31 March 2024.

Readers can view how Infracarta implements the numerous corporate governance practices denoted under the Malaysian Code of Corporate Governance (“MCCG”) in the financial year 2024 Corporate Governance Report (“CG Report”), which can be downloaded from <https://www.infracarta.com/index.php/investor-relations/corporate-governance>.

At Infracarta Group, we are steadfast in our commitment to sustainability, recognizing our responsibility to create value not only for our stakeholders today but also for generations to come. Our Sustainability Statement reflects our dedication to environmental stewardship, social responsibility, and sound governance practices, which are integral to our long-term success and resilience.

We perceive sustainability as a never-ending quest that requires the participation of all stakeholders, internally and externally, at every level in efforts to contribute to global and national initiatives towards sustainable development. As we venture into the construction and property development industries, we strategically plan our business activities, considering not only profitability and liquidity but also our responsibilities regarding corporate governance, economic issues (such as promoting economic growth, fostering job creation, and supporting local communities), environmental problems, and social responsibilities.

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY GOVERNANCE

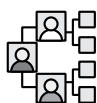
The sustainability governance structure at Infracarta is overseen primarily by the Board of Directors (“Board”) who then decides on strategic directions including how sustainability matters are integrated directly into the Group’s operation. At the operations level, every department and operation division are required to provide support to the Board to ensure the implementation of the programmes and initiatives, as well as to incorporate sustainability related matters into the day-to-day operations of the Group.

Roles and Responsibilities



Board of Directors

- Provide oversight for all Infracarta’s sustainability operations and strategies.
- Review and approve the Group’s disclosures and strategic direction in relation to sustainability matters.
- Periodically evaluate the efficacy of governance over sustainability matters and continuously work towards creating a more robust structure.
- Deliver sustainable value to shareholders and stakeholders through Infracarta’s sustainability principles, objectives and strategies.



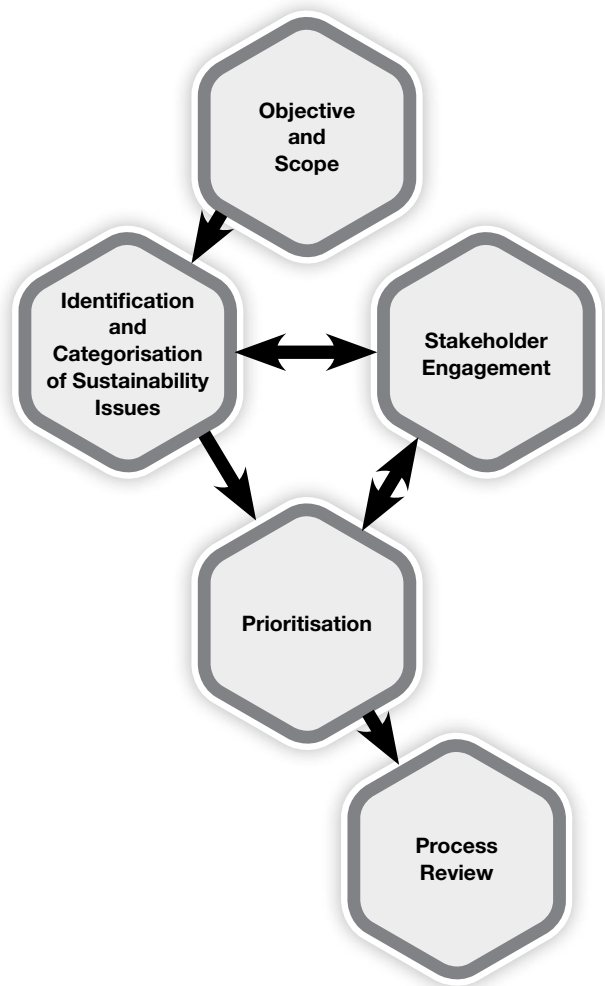
Operating Division / Departments

- Coordinate and implement sustainability activities that are in line with the strategic direction of Infracarta.
- Execute and integrate sustainability initiatives of the Group as part of its daily operations.
- Implement the stakeholder engagement effort.

Sustainability at Infracarta Group

Over the past years, we carried out the process of identifying, refining, and assessing material topics that could affect our businesses and stakeholders, such as:-

1. Financial Stability;
2. Product Quality and Responsibility;
3. Local Community Development;
4. Construction Waste Management;
5. Diversity and Equality Opportunity Workplace;
6. Talent Retention and Development;
7. Labour Practices and Human Rights;
8. Occupational Health and Safety;
9. Anti-Corruption and Corporate Governance; and
10. Compliance with Regulatory Authorities.



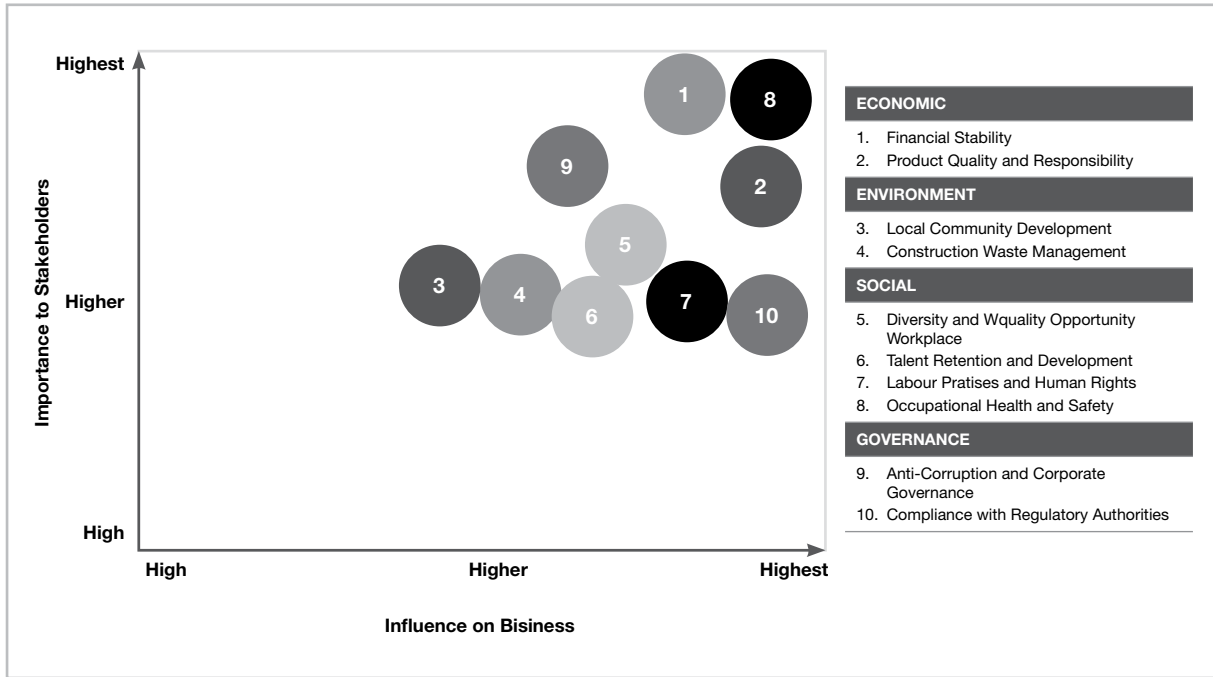
(Source: Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad)



SUSTAINABILITY STATEMENT

(CONT'D)

Materiality Matrix

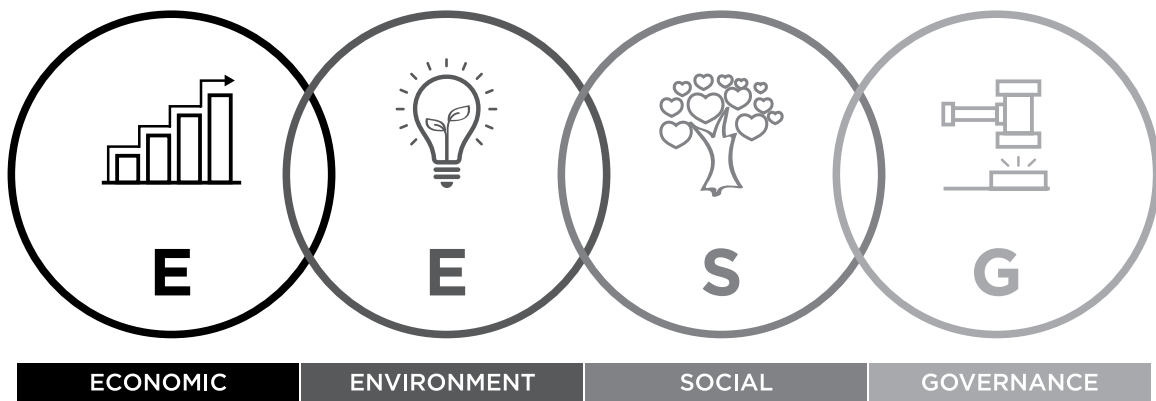


The material topics are also aligned to the Group's selected United Nation Sustainable Development Goals ("UN SDGs"). While we acknowledge that certain materiality issues may be more important than others, we are equally concerned with each and every materiality issue. As a good corporate citizen, compliance with regulatory authorities is essential and also brings good corporate values. We support the initiatives taken by the regulatory authorities in improvising and supervising the reporting requirements as well as Anti-Corruption and Corporate Governance. We also prioritize assessing

financial stability, as we firmly believe that a company's robust financial position enables it to address all other materiality topics with precision and ease, free from financial constraints.

Other materiality topics that relate directly to business processes are dealt with in an on-going basis and revisions are made as and when required.

Below are the qualitative comments which cover the four (4) main aspects:-



SUSTAINABILITY STATEMENT

(CONT'D)

ECONOMIC

Civil and construction works for basic infrastructure underpin the progress of society and are always high on any government agenda, even during period of economic uncertainty. Malaysia has made important progress in enhancing measures to promote high quality investments through the adoption of National Investment Aspirations (NIA) into national strategies. At Infracarta, we aim to deliver on-time, on-budget infrastructure projects and property development project that ease the traffic congestion to create a highly liveable, economically vibrant and socially inclusive community. New roads, better infrastructure and other projects will alleviate the problems of rapid urbanization such as wastewater management, water supply and so on. The country's present transportation system can be improved by adopting a balanced approach in relation to the public transport and highway, which ultimately boost socio-economic growth.

When evaluating a company's financial performance, it's essential to analyse the economic value it generates and distributes. At Infracarta, we are dedicated to creating and disseminating economic value among all our stakeholders by emphasizing efficiency and sustainability in all our business operations. Through continuous investments in our people, processes, and technology, we ensure the creation and delivery of high-quality products and services that cater to our customers' needs. Moreover, we recognize that distributing economic value fairly and transparently is vital for fostering trust and nurturing long-term relationships with our stakeholders. Therefore, we strive to provide equitable compensation to our employees and suppliers, along with reasonable returns to our shareholders.

1. Procurement practices

Integrity and transparency are essential to our procurement endeavours and we have strict protocols in place to safeguard critical information in the interests of fair play and competitiveness. In addition, our Code of Business Conduct & Ethics had sets out the principles to guide business conduct when employees deal with third party. This includes, but is not limited to all vendors, suppliers, service providers, contractors, subcontractors, consultants, agents, representatives and any other persons or entities who provide work, goods or services or act for or on behalf of the Group. We demand and enforce compliance with contractual standards and where possible, we favour local suppliers and sub-contractors.

Our thoughtful and ethical procurement practices contribute to the welfare of business partners across our supply chain, help us deliver consistently high-quality projects to our customers and support Malaysia's socio-economic growth as a whole.

In addition to that, the Group implements a robust three-step process to ensure the quality of our projects meet or exceed customer expectations.

Delivering Quality to Our Customers

- (1) Planning**
Determining how quality will be managed and validated throughout the project in question
- (2) Quality Assurance**
Monitoring installation methods while ensuring all documentation requirements are met
- (3) Quality Control**
Conducting site inspections for installation workmanship and material quality

Through our efforts in embedding operational efficiency in our supply chain and endorsing local suppliers, we are able to support the national economy while reducing the reliance on imports and its transportation-related environmental impact.

2. Direct economic impact

Our direct economic impacts encompass various financial contributions that directly result from our business activities. These include:

Employee salaries: This refers to the salaries paid to our employees, which are essential for their livelihoods and support their families. By providing competitive salaries and benefits, we contribute to the economic well-being of our workforce and the broader community.

Group revenues and profits: These are the total revenues generated by our Company as well as the profits earned after deducting expenses. Revenues and profits are key indicators of our financial performance and sustainability, reflecting the success of our business operations.



SUSTAINABILITY STATEMENT

(CONT'D)

ECONOMIC (CONT'D)

2. Direct economic impact (Cont'd)

Taxes paid: This refers to the taxes levied on our Company's profits, income, and activities, which are paid to government authorities. Taxes contribute to the funding of public services and infrastructure, such as education, healthcare, and transportation, benefiting society as a whole.

Overall, these direct economic impacts highlight our significant contributions to the economy, both locally and nationally, and underscore our role as a responsible corporate citizen.

3. Indirect economic impact

The indirect economic impacts of our operations extend beyond the immediate financial transactions and encompass broader contributions to the economy. These impacts primarily revolve around our capabilities, employee upskilling, and the expansion of our supply chain.

Capabilities: Our Company's capabilities refer to our expertise, skills, and resources that enable us to undertake various projects. By continually investing in our capabilities through training and process improvements, we enhance our competitiveness and contribute to industry advancement.

Employee upskilling: We recognize the importance of investing in our workforce to ensure they possess the necessary skills and knowledge to adapt to evolving industry trends and technological advancements. Through training programs, skill development initiatives, and career advancement opportunities, we empower our employees to enhance their capabilities and contribute more effectively to our Company's success.

Expansion of our supply chain: Our supply chain encompasses a network of sub-contractors and suppliers who play a crucial role in supporting our operations. We understand that our commercial decisions can have ripple effects throughout the supply chain, impacting other players in the industry. Therefore, we strive to make decisions that have a positive flow-on effect, benefiting our partners and the broader economy.

To support our sub-contractors, we provide various forms of assistance, including credit lines, support with material purchases, and access to machinery and equipment. These initiatives enable our sub-contractors to develop their capabilities and capacity, fostering their growth and sustainability.

Similarly, we collaborate closely with our suppliers to ensure timely project delivery and fair business dealings. By maintaining strong relationships with our suppliers and conducting business ethically and transparently, we create a mutually beneficial environment that supports sustainable growth and prosperity for all parties involved.

ENVIRONMENT

We at Infracarta is dedicated to environmental stewardship and sustainable practices, aiming to minimize our ecological footprint and foster a healthier planet. Through robust initiatives, we actively reduce our carbon footprint, conserve natural resources, and adhere to environmental regulations. Our unwavering commitment to environmental sustainability is evident in our continuous efforts to enhance our performance and promote green practices across our operations.

With a deep passion for environmental conservation, we prioritize the well-being of our planet and strive to preserve it for future generations. By leading the way in environmentally responsible practices, we aim to prevent or mitigate the environmental impacts associated with construction and property development projects.

1. Emissions

Emissions are a significant environmental concern in today's industrial landscape, with various human activities contributing to the release of harmful pollutants into the atmosphere. These emissions, including greenhouse gases and particulate matter, have far-reaching impacts on air quality, climate change, and public health. As a responsible corporate citizen, Infracarta recognizes the importance of mitigating emissions associated with its operations to minimize environmental harm and promote sustainability. In this regard, Infracarta has developed comprehensive strategies and practices to monitor, manage, and reduce emissions across its business activities. This commitment to emissions management reflects Infracarta's dedication to environmental stewardship and its role in safeguarding the planet for future generations.

- **Emissions Monitoring:** At Infracarta, we maintain a vigilant approach towards identifying and addressing any potentially polluting effects of our activities. This includes closely monitoring emissions generated by various sources such as cars, lorries and heavy machinery.

SUSTAINABILITY STATEMENT

(CONT'D)

ENVIRONMENT (CONT'D)

1. Emissions (Cont'd)

- **On-Site Practices:** On construction sites, we implement stringent measures to control dust and manage potential pollutants effectively. This includes the proper disposal of oil, batteries, building materials, and other items that may pose environmental risks if not handled appropriately.
- **Continuous Improvement:** We are committed to continuously improving our emissions management practices. This involves exploring innovative technologies, implementing best practices, and adhering to regulatory standards to minimize our environmental impact and promote sustainability across our operations.

such as paper, plastic, and effluent disposed as wastewater, is also managed in accordance with regulatory requirements.

- **Routine Inspections:** To ensure compliance with environmental regulations and minimize environmental impact, Infracarta has outsourced a team to conduct routine inspections at project sites. Any non-compliance issues are promptly addressed, and corrective actions are implemented to mitigate environmental risks.

- **Employee Engagement:** Infracarta fosters a culture of environmental responsibility among its employees, both in office settings and at project sites. Employees are encouraged to embrace the 'reduce, reuse, recycle' ethos as part of their daily practices. This includes minimizing waste generation, promoting recycling initiatives, and exploring opportunities for waste reduction and reuse. By actively involving employees in waste management efforts, Infracarta aims to instill a sense of environmental stewardship and collective responsibility for sustainable practices across the organization.

2. Waste and effluent

Waste and effluent management are critical aspects of environmental sustainability, encompassing the responsible handling, treatment, and disposal of various waste streams generated by human activities. From hazardous materials to everyday items like paper and plastic, the management of waste plays a crucial role in minimizing environmental pollution and protecting ecosystems. Effluent refers to wastewater discharged from industrial, commercial, and domestic sources, presenting unique challenges in terms of treatment and disposal.

At Infracarta, we recognize the importance of effective waste and effluent management in preserving environmental quality and minimizing our ecological footprint. Through adherence to stringent environmental regulations, routine inspections, and employee engagement initiatives, we strive to uphold high standards of waste management practices across our operations. In this section, we will delve into Infracarta's approach to waste and effluent management, highlighting our commitment to regulatory compliance, environmental stewardship, and continuous improvement.

- **Regulatory Compliance:** Infracarta adheres strictly to local environmental regulations governing the management and disposal of both hazardous and non-hazardous waste. Hazardous waste, as defined by the Environmental Quality (Scheduled Wastes) Regulations 2005, is managed according to prescribed protocols. This includes meticulous documentation, proper handling, and safe disposal practices to prevent environmental contamination. Non-hazardous waste, which encompasses general waste

3. Water/Energy

Water and energy are indispensable resources that underpin the operations of modern societies and industries. At Infracarta, we recognize the critical role that water and energy play in our business activities and are committed to managing these resources responsibly. Through strategic initiatives and proactive measures, we aim to optimize resource utilization, reduce operational costs, and contribute to a more sustainable future.

- **Efficiency Gains:** At Infracarta, we prioritize efficiency in our use of water and energy resources. We recognize that reducing consumption of utilities is not only a cost-saving measure but also a crucial aspect of environmental sustainability.

- **Responsible Resource Management:** Our approach to water and energy management extends beyond mere consumption reduction. We strive to adopt a holistic approach that encompasses responsible resource management practices throughout our operations.



SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL

People are the backbone of any organization, embodying its resilience and driving its success and sustainability. At Infracarta, we understand that our greatest asset lies in our diverse workforce, whose abilities and well-being we prioritize. By fostering a culture that values and invests in our employees, we empower them to perform at their best professional capacity. This not only keeps us competitive in the construction sector but also enables us to catalyse positive change in the communities we serve.

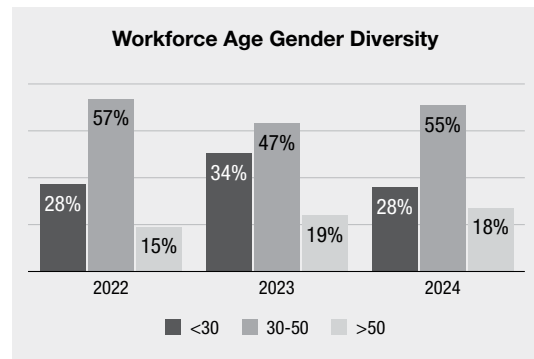
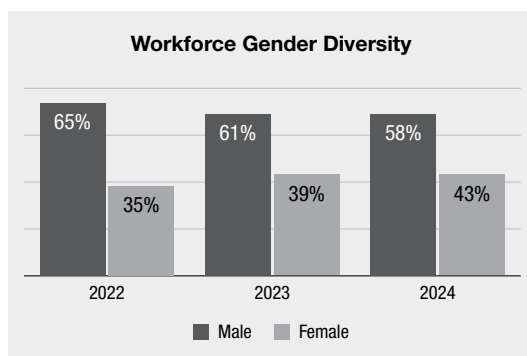
We uphold principles of equality and firmly oppose discrimination based on creed, colour, or culture. Furthermore, we maintain a zero-tolerance policy towards sex discrimination and sexual harassment, ensuring a fair and hazard-free workplace environment for everyone. By fostering such an environment, we aim to cultivate a positive corporate culture and instil core values that enable our employees to thrive.

1. Diversity and Equality Opportunity Workplace

Workforce Profile

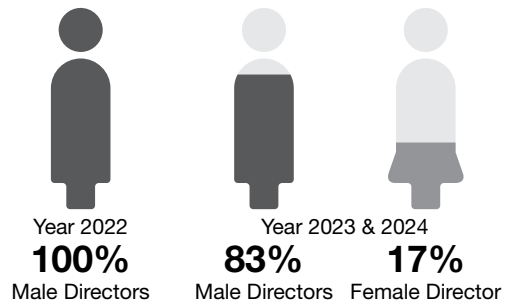
Infracarta is dedicated to fostering diversity at every level of its operations. We firmly uphold principles of non-discrimination, ensuring that all employees, regardless of gender, ethnicity, religion, or age, have equal opportunities and receive fair treatment. Our management strategy is designed to identify and nurture talent, facilitating the personal and professional growth of our team members.

However, achieving gender balance within project and contract divisions poses a challenge, particularly in industries like construction and property development, which traditionally skew male-dominated. Despite this ongoing challenge, we remain committed to creating an inclusive and equitable workplace environment, actively working towards greater diversity and representation across all facets of our organization.



Board Profile

In a step towards gender diversity, Infracarta appointed Mrs. Noor Hazley Zuana Binti Mamat as an Independent Non-Executive Director on 21 February 2023, marking a significant addition as she becomes the first female director on the Board, constituting 17% of board gender composition.



While our Board boasts a fair representation of diverse ethnicities and age groups, gender diversity remains an area for improvement.

It's crucial to emphasize that Infracarta does not discriminate against female candidates for Board compositions. The Board actively promotes fair and equal opportunities for all individuals based on merit. Given the nature of Infracarta's primary activities in the construction and property development sectors, recent vacancies on the Board have predominantly been filled by male candidates with relevant industry experience.

In the year financial 2024, the Board comprises six (6) members from Chinese and Malay ethnicities, with ages ranging from 37 to 67 year-old (2023: 36 to 66 year-old), reflecting a diverse spectrum of perspectives and expertise within our leadership team.

SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL (CONT'D)

2. Talent Retention and Development

Talent retention forms a crucial component of Infracarta’s employee management strategy. Recognizing the pivotal role of skilled and capable employees in ensuring business continuity, we prioritize the creation of a nurturing work environment that fosters their growth, well-being, and professional development.

Our commitment extends to maintaining open channels of communication, offering opportunities for skill enhancement, and facilitating career advancement paths. We understand that engaged and satisfied employees are more inclined to embrace our sustainability values and actively contribute to our initiatives. Therefore, we actively solicit feedback from our workforce, leveraging their insights to continually enhance our workplace practices.

By valuing diversity, fostering inclusivity, and cultivating a safe and respectful workplace culture, we aim to inspire and retain motivated employees who are dedicated to our sustainability journey.

Infracarta is committed to the holistic development and well-being of its employees, promoting a culture of health and continuous improvement. Encouraging the adoption of healthy lifestyles and the pursuit of skill enhancement across all domains are integral facets of our employee management strategy.

In April 2024, as part of our ongoing efforts to foster cohesion and teamwork within the organization, Infracarta organized three (3) days two (2) nights teambuilding retreat. This initiative was crafted to strengthen interdepartmental relationships, bolster collaboration, and reinforce our collective commitment to excellence.

The retreat featured a series of purposeful team-building activities, carefully selected to cultivate key competencies such as collaboration, problem-solving, and effective communication. From engaging in challenges such as raft building and telematch games to experiencing the exhilarating flying fox and embarking on a scenic hike up Broga Hill, participants embraced the spirit of teamwork and camaraderie.





SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL (CONT'D)

3. Labour Practices and Human Rights

Infraharta places a paramount emphasis on human and labour rights, striving to uphold these principles across all facets of its operations. We adamantly oppose the utilization of child or forced labour and staunchly condemn any form of discrimination based on race, religion, gender, disability, nationality, or other socio-demographic factors. Our commitment to diversity is steadfast, as we actively cultivate an inclusive work environment that welcomes individuals from diverse backgrounds.

In our recruitment practices, we prioritize candidates' skills and capabilities over mere formal qualifications, advocating for the employment of those from underprivileged backgrounds. We adhere rigorously to labour laws (Malaysia Employment Act 1955). Furthermore, we encourage our employees to maintain a healthy work-life balance through a range of facilitated activities, programs, and events.

The welfare of our workforce extends to third-party contractors and sub-workers, as we ensure that their basic human and labour rights are upheld, guaranteeing safe and dignified working conditions. Infraharta unequivocally denounces forced labour, modern slavery, debt bondage, and human trafficking.

Our commitment to our worker' well-being encompasses access to healthcare, fair wages, clean sanitation, and adequate food. Additionally, we uphold their rights to freedom of association, religion, and collective bargaining. All workers operate within secure, safe working conditions and are shielded against exploitation, particularly concerning working hours and compensation.

4. Occupational Health and Safety

Occupational Health and Safety is our foremost sustainability concern, particularly because the construction industry poses high hazards encompassing a broad spectrum of activities involving construction, alteration, and/or repair. Construction workers are involved in various tasks that may subject them to serious risks, including falls from rooftops, exposure to unguarded machinery, potential collisions with heavy construction equipment, electrocutions, silica dust exposure, and asbestos exposure. Prioritizing our employees' safety, we provide comprehensive training on health and safety standards to mitigate the risk of accidents and injuries. Consequently, we are pleased to report a zero-accident rate throughout our operational activities.

GOVERNANCE

At Infraharta, corporate governance extends beyond mere adherence to standards and regulations, encompassing principles of ethics, trust, and values. This approach not only bolsters stakeholder confidence but also establishes the benchmarks of conduct for the entire organization. Our commitment to upholding these principles is reflected in Infraharta's Anti-Bribery and Corruption Policy ("ABC Policy"), which will be elaborated upon in the subsequent chapter in this Annual Report, the Corporate Governance Overview Statement.

1. Anti-Corruption and Corporate Governance

Our ABC Policy, founded on the principles outlined in the Malaysian Anti-Corruption Commission (MACC) Act Section 17A, upholds a strict zero-tolerance stance against bribery and corruption. It provides clear guidelines to all stakeholders on how to identify, manage, and respond to situations that may be construed as improper, unethical, or indicative of bribery and corruption in the ordinary course of business.

2. Compliance with Regulatory Authorities

Our dedication to regulatory compliance is paramount, as it reinforces accountability to our stakeholders and fosters enduring trust in our organization. We diligently fulfil our obligations to adhere to applicable laws and regulations, ensuring that timely updates regarding evolving industry standards are communicated to all business units within the Group.