

INFRAHARTA HOLDINGS BERHAD

(Company No. 200701007217 / 765218-V)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2024 (1st QUARTER)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

	Individual Quarter 3 months ended (Unaudited)		Cumulative Quarter 3 months ended (Unaudited)	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Revenue	7,300	5,325	7,300	5,325
Cost of sales	(6,701)	(4,898)	(6,701)	(4,898)
Gross profits	599	427	599	427
Administrative expenses	(1,098)	(1,142)	(1,098)	(1,142)
Other operating income	40	91	40	91
Loss from operations	(459)	(624)	(459)	(624)
Finance income	4	3	4	3
Finance cost	(27)	(35)	(27)	(35)
Net finance cost	(23)	(32)	(23)	(32)
Loss before taxation	(482)	(656)	(482)	(656)
Income tax expenses	-	-	-	-
Loss after taxation/Total comprehensive loss	(482)	(656)	(482)	(656)
Net loss attributable to:				
Owners of the Company	(591)	(791)	(591)	(791)
Non-controlling interests	109	135	109	135
	(482)	(656)	(482)	(656)
Total comprehensive loss attributable to:				
Owners of the Company	(591)	(791)	(591)	(791)
Non-controlling interests	109	135	109	135
	(482)	(656)	(482)	(656)
Loss per share attributable to equity holders of the parent:				
Basic (sen)	(0.14)	(0.21)	(0.14)	(0.21)

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 30 JUNE 2024

	As at 30-Jun-24 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Non-Current Assets		
Plant and equipment	650	805
Right of use assets	1,874	2,040
Other investments	3,719	3,719
Goodwill	2,080	2,080
Trade receivables	9,423	9,927
	17,746	18,571
Current Assets		
Contract assets	17,335	21,891
Contract costs	137	114
Inventories	19,174	20,152
Trade receivables	14,201	13,407
Other receivables, deposits and prepayments	8,927	8,936
Tax recoverable	985	925
Fixed deposits with a licensed bank	249	234
Cash and bank balances	1,868	1,777
	62,876	67,436
TOTAL ASSETS	80,622	86,007
EQUITY		
Share capital	150,176	148,213
Fair value reserves	(6,141)	(6,141)
Accumulated losses	(95,998)	(95,407)
Equity attributable to owners of the Company	48,037	46,665
Non-controlling interests	(3,579)	(3,688)
Total Equity	44,458	42,977
Non Current Liabilities		
Lease liabilities	1,063	1,214
Deferred tax liabilities	10	10
Trade payables	2,874	2,961
	3,947	4,185
Current Liabilities		
Contract liabilities	79	342
Trade payables	17,632	24,843
Other payables and accruals	12,992	12,171
Lease liabilities	686	728
Bank borrowings	825	755
Tax payable	3	6
	32,217	38,845
Total Liabilities	36,164	43,030
TOTAL EQUITY AND LIABILITIES	80,622	86,007
Net Asset per share (in RM)	0.11	0.11

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.

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(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	← Attributable to owners of the Company →						
	Non-Distributable		Distributable				
	Share Capital RM'000	Share Options Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As At 31 March 2024 (Audited)	148,213	-	(6,141)	(95,407)	46,665	(3,688)	42,977
Shares issued during the period:							
- Conversion of redeemable convertible preference shares	-	-	-	-	-	-	-
- Issue of shares pursuant to private placements	1,963	-	-	-	1,963	-	1,963
	1,963	-	-	-	1,963	-	1,963
Total comprehensive loss for the period	-	-	-	(591)	(591)	109	(482)
As At 30 June 2024 (Unaudited)	150,176	-	(6,141)	(95,998)	48,037	(3,579)	44,458
As At 1 April 2023	144,744	-	(4,618)	(88,425)	51,701	(501)	51,200
Shares issued during the period:							
- Conversion of redeemable convertible preference shares	1,175	-	-	-	1,175	-	1,175
- Issue of shares pursuant to private placements	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)	(3,187)	(10,169)
As At 31 March 2024 (Audited)	148,213	-	(6,141)	(95,407)	46,665	(3,688)	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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	As at 30-Jun-24 (Unaudited) RM'000	As at 30-Jun-23 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(482)	(656)
Adjustments for:		
Amortisation & depreciation	237	239
Loss on disposal of plant and equipment	13	-
Interest income	(4)	(3)
Interest expense	27	35
Operating loss before working capital changes	(209)	(385)
Changes in contract assets/liabilities (net)	4,633	1,404
Increase in contract costs	(23)	-
Increase in trade and other receivables	(281)	(1,242)
(Decrease)/increase in trade and other payables	(6,817)	919
Decrease/(increase) in inventories	978	(533)
Net cash (used in)/generated from operations	(1,719)	163
Income tax paid	(64)	(208)
Income tax refunded	-	88
Net cash (used in)/generated from operating activities	(1,783)	43
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant & equipment	-	(14)
Proceeds from disposal of plant & equipment	60	-
Increase in fixed deposits pledged	(15)	(89)
Interest received	4	3
Net cash generated from/(used in) investing activities	49	(100)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(27)	(35)
Repayment of lease liabilities	(181)	(217)
Proceeds from issuance of ordinary shares-net	1,963	-
Repayment of trade financing	-	(124)
Proceeds from issuance of redeemable convertible preference shares-net	-	705
Net cash generated from financing activities	1,755	329
Net changes in cash and cash equivalents	21	272
Cash and cash equivalents brought forward	1,022	1,039
Cash and cash equivalents carried forward	1,043	1,311
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	1,868	1,583
Fixed deposits	249	934
Bank overdrafts	(825)	(895)
	1,292	1,622
Less: Deposits pledged	(249)	(311)
	1,043	1,311

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

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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 1st quarter ended 30 June 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 MALYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

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

During the current financial period under review, the Company issued 12,605,000 ordinary shares at the issue price of RM0.1555 through a Private Placement, as detailed in Note B11.

Except for this issuance, 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	
	3 months ended		3 months ended	
	(Unaudited)		(Unaudited)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Constructions	5,643	3,801	(239)	(330)
Property development	1,657	1,521	170	116
Investment holdings and others	-	3	(413)	(442)
	<u>7,300</u>	<u>5,325</u>	<u>(482)</u>	<u>(656)</u>

There was no disclosure on geographical segments, 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

There 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.

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 as the parties are still in negotiation of this matter. 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. Notwithstanding this, the Board believes ISB has valid grounds and justification to be entitled for the EOT.

A12. Capital Commitments

There were no material capital commitments approved or contracted for as at 30 June 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			Cumulative Quarter		
	3 months ended			3 months ended		
	(Unaudited)			(Unaudited)		
	30-Jun-24	30-Jun-23	Change	30-Jun-24	30-Jun-23	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	7,300	5,325	37%	7,300	5,325	37%
Loss before/after taxation	(482)	(656)	-27%	(482)	(656)	-27%
Net loss attributable to equity holders of the parent	<u>(591)</u>	<u>(791)</u>	25%	<u>(591)</u>	<u>(791)</u>	-25%

The Group's revenue for individual quarter and cumulative quarter ended 30 June 2024 were increased by RM2.0 million or 37% as compared to individual quarter and cumulative quarter ended 30 June 2023. The growth was primarily driven by the steady advancement of some projects in the construction segment.

During the individual quarter and cumulative quarter ended 30 June 2024 and 30 June 2023, there were no provision of tax being provided.

Overall, the loss before taxation for individual/cumulative quarter ended 30 June 2024 was decreased by approximately 27% as compared to individual/cumulative quarter ended 30 June 2023. This improvement was mainly attributed to the gross profit from the property development segment, along with additional contributions from the construction segment.

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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	
	30-Jun-24 RM'000	31-Mar-24 RM'000	RM'000	%
Revenue	7,300	27,798	(20,498)	-74%
Loss before taxation	(482)	(7,639)	7,157	-94%
Loss after taxation	(482)	(7,782)	7,300	-94%
Net loss attributable to equity holders of the parent	<u>(591)</u>	<u>(4,471)</u>	3,880	-87%

The Group reported revenue of RM7.3 million for the current individual quarter ended 30 June 2024 as compared to RM27.8 million for the immediate preceding individual quarter ended 31 March 2024.

There was a notable reduction in Group's Revenue of RM20.5 million, or 74%, primarily due to the construction and property development segments being at their peak in the immediate preceding quarter ended 31 March 2024.

The loss before taxation for the current individual quarter ended 30 June 2024 was reduced by RM7.2 million or 94% as compared to immediate preceding individual quarter ended 31 March 2024. The reduced was principally driven by the recognition of an approximately RM8.1 million impairment for expected credit losses on trade and other receivables in the immediate preceding quarter ended 31 March 2024.

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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 or profit guarantee in a public document 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.

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

B6. Group Borrowings and Debt Securities

The Group's borrowings are as follows: -

	As at 30-Jun-24 (Unaudited) RM'000	As at 31-Mar-24 (Audited) RM'000
Current		
<u>Lease liabilities</u>		
- Hire purchase leases	396	425
- Other leases	290	303
	<u>686</u>	<u>728</u>
<u>Bank borrowing</u>		
- Trade financing	-	-
- Bank overdrafts	825	755
	<u>825</u>	<u>755</u>
Non-current		
<u>Lease liabilities</u>		
- Hire purchase leases	232	310
- Other leases	831	904
	<u>1,063</u>	<u>1,214</u>

The Group does not have any foreign currency borrowings as at 30 June 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

Suit 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 Demanded Sum is comprised of sums categorized as "Part A" and "Part B" in an agreement known as the Deed of Rescission and Termination entered into by BCSB, ISB and CZC ("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)

Suit 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 of CZC filing of Suit 443.

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

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 RM 22,597,362.49 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.

A case management was fixed on 14 August 2024, where the Court directed for the pre-trial documents (i.e. bundle of pleadings, common bundles of documents, agreed facts, issues to be tried, lists of witnesses and summary of case) to be filed on or before 24 September 2024. The next case management is fixed on 26 September 2024 for parties to update on the compliance with the Court's directions given on 14 August 2024.

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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. The potential claims by CZC against the Defendants stated in the announcement dated 15 August 2024 are subject to legal advice.

On 27 August 2024, the High Court gave the following directions:-

1. ISB and VCSB are to file their defence on or before 22 October 2024;
2. CZC is to file its reply to defence on or before 24 December 2024; and
3. Any interlocutory applications (if necessary) are to be filed on or before 31 December 2024.

The next case management is scheduled to proceed on 14 January 2025 via Zoom before Justice Atan Mustaffa Yussof Ahmad.

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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		Cumulative Quarter	
	3 months ended		3 months ended	
	(Unaudited)		(Unaudited)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to owners of the Company	(591)	(791)	(591)	(791)
Weighted average number of ordinary shares in issue ('000)	410,292	376,625	410,292	376,625
Basic loss per ordinary share (sen)	(0.14)	(0.21)	(0.14)	(0.21)

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 but not completed as at the date of this report, which 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, representing up to approximately 10% of the total number of issued shares, to third-party investor(s) to be identified later and at an issue price to be determined later.

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

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 first tranche of the Private Placement comprising 21,818,000 Placement Shares issued at RM0.1100 per Placement Share, was listed on the Main Market of Bursa Securities on 11 March 2024. The second tranche of the Private Placement was completed on 30 May 2024 which comprising 12,605,000 Placement Shares issued at RM0.1555 per Placement Share. Both tranches of Private Placement have raised total of RM4,360,057.

As at 30 June 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	1,470	Within 3 months	1,512	51%	Will be utilised in August 2024.
(ii) Working capital	1,246	1,075	Within 3 months	171	14%	
(iii) Estimated expenses relating to the proposals	132	132	Immediate	-	-	-
Total	4,360	2,677				

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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		Cumulative Quarter	
	3 months ended		3 months ended	
	(Unaudited)		(Unaudited)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting): -				
Depreciation of:-				
- plant and equipment	83	72	83	72
- right of use assets	154	167	154	167
Loss on disposal of preproperty, plant and equipment	13	-	13	-

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 29 August 2024.