ARKA BERHAD

Company No.: 197701005709 (36747-U)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2025

Dated November 28, 2025

CONTENTS

		PAGE
1)	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	*3*
2)	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	*4– 5*
3)	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	*6*
4)	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	*7-8*
5)	NOTES TO THE INTERIM FINANCIAL REPORT	
	SECTION A : DISCLOSURE NOTES AS REQUIRED UNDER MFRS 134	*9 – 13*
	SECTION B : DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING REQUIREMENTS	*14 – 16*

Registration No.: 197701005709 (36747-U)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2025

The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the third quarter ended September 30, 2025.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter Ended 30/9/25	Preceding Year Quarter Ended 30/9/24	Changes (Amount/%)		Current Year-To-Date Ended 30/9/25	Preceding Year-To-Date Ended 30/9/24	Changes (Amount/%)	
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	**8,346**	**7,592**	**754**	10%	**23,437**	**24,350**	**(913)**	(4%)
Operation profit/(loss) before depreciation and finance cost	1,127	(3,006)	4,133	>100%	768	(3,009)	3,777	>100%
Depreciation & amortisation	(2,058)	(2,283)	225	10%	(6,189)	(6,275)	86	1%
Loss from operations	(931)	(5,289)	4,358	82%	(5,421)	(9,284)	3,863	42%
Finance cost	(235)	(394)	159	40%	(828)	(1,306)	478	37%
Share of profit of an associate	2,224	3,396	(1,172)	(35%)	5,618	5,275	343	7%
Profit/(Loss) before taxation	**1,058**	**(2,287)**	**3,345**	>100%	**(631)**	**(5,315)**	**4,684**	88%
Income tax expense	(1,170)	(140)	(1,030)	>(100%)	(1,170)	(140)	(1,030)	>(100%)
Loss for the period	**(112)**	**(2,427)**	**2,315**	95%	**(1,801)**	**(5,455)**	**3,654**	67%
Other comprehensive loss: -								
Items that may be reclassified subsequently to profit or loss								
- Exchange differences arising from translation of foreign operation	(19)	-	(19)	>(100%)	(12)	-	(12)	>(100%)
Total comprehensive loss for the financial period	**(131)**	**(2,427)**	**2,296**	95%	**(1,813)**	**(5,455)**	**3,642**	67%
Profit/(Loss) for the period attributable to:								
Owners of the parent	79	(2,088)	2,167	>100%	(985)	(4,530)	3,545	78%
Non-controlling interest	(191)	(339)	148	44%	(816)	(925)	109	12%
	(112)	**(2,427)**	**2,315**	95%	**(1,801)**	**(5,455)**	**3,654**	67%
Total comprehensive income/(loss) attributable to :								
Owners of the Company	60	(2,088)	2,148	>100%	(997)	(4,530)	3,533	78%
Non-controlling interest	(191)	(339)	148	44%	(816)	(925)	109	12%
	(131)	**(2,427)**	**2,296**	95%	**(1,813)**	**(5,455)**	**3,642**	67%
Earnings/(Loss) per share attributable to owners of the parent:								
- Basic (sen)	0.12	(3.20)	3.32	>100%	(1.50)	(6.95)	5.45	78%
- Diluted (sen)	0.12	(3.20)	3.32	>100%	(1.50)	(6.95)	5.45	78%

(The 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 December 31, 2024 and the accompanying explanatory notes attached to the Interim Financial Report)

Registration No.: 197701005709 (36747-U)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30/9/25 RM'000	Audited As At 31/12/24 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,707	5,396
Right-of-use assets	8,629	14,018
Investment in associate	36,866	31,248
Deferred tax assets	82	106
	50,284	50,768
Current Assets		
Inventories	1,000	722
Trade receivables	10,903	7,982
Contract assets	100	53
Other receivables	2,513	2,592
Tax recoverable	101	377
Fixed deposits with licensed banks	6,760	13,488
Cash and bank balances	316	2,598
	21,693	27,812
TOTAL ASSETS	**71,977**	**78,580**
EQUITY AND LIABILITIES		
Share capital	66,403	65,551
Other Reserves	644	1,153
Accumulated Losses	(10,606)	(9,621)
Equity attributable to Owners of the Company	56,441	57,083
Non-Controlling Interest	(2,802)	(1,986)
Total Equity	**53,639**	**55,097**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Unaudited As At 30/9/25 RM'000	Audited As At 31/12/24 RM'000
Non-Current Liabilities		
Lease liabilities	1,597	6,383
Borrowings	1,157	1,651
	2,754	8,034
Current Liabilities		
Trade payables	5,211	4,284
Other payables	2,887	2,963
Lease liabilities	6,584	7,081
Borrowings	902	875
Tax payable	-	246
	15,584	15,449
Total Liabilities	**18,338**	**23,483**
TOTAL EQUITY AND LIABILITIES	**71,977**	**78,580**
Net assets per share attributable to Owners of the Company (RM)	0.86	0.88

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended December 31, 2024 and the accompanying explanatory notes attached to the Interim Financial Report)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-------------Attributable to Owners of the Company			---------------		
2025	**Share Capital RM'000**	**Non-distributable Other Reserves RM'000**	**Accumulated Losses RM'000**	**Total RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At January 1, 2025	65,551	1,153	(9,621)	57,083	(1,986)	55,097
Issuance of shares pursuant to the ESGP	852	(852)	-	-	-	-
Employee share grant expenses	-	355	-	355	-	355
Total transactions with owners	852	(497)	-	355	-	355
Total comprehensive loss for the financial period	-	(12)	(985)	(997)	(816)	(1,813)
At September 30, 2025	66,403	644	(10,606)	56,441	(2,802)	53,639
2024						
At January 1, 2024	64,719	13,807	(15,658)	62,868	(731)	62,137
Issuance of shares pursuant to the ESGP	832	(832)	-	-	-	-
Employee share grant expenses	-	1,329	-	1,329	-	1,329
Total transactions with owners	832	497	-	1,329	-	1,329
Realisation of revaluation reserve	-	(13,050)	13,050	-	-	-
Total comprehensive loss for the financial year	-	(101)	(7,013)	(7,114)	(1,255)	(8,369)
At December 31, 2024	65,551	1,153	(9,621)	57,083	(1,986)	55,097

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended December 31, 2024 and the accompanying explanatory notes attached to the Interim Financial Report)

Registration No.: 197701005709 (36747-U)

INTERIM FINANCIAL REPORT
For the Third Quarter ended September 30, 2025

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year-To-Date Ended 30/9/25 RM'000	Preceding Year 12 Months Ended 31/12/24 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(631)	(8,742)
Adjustment for: -		
Non-cash items	6,421	9,886
Interest expense	828	1,686
Interest income	(257)	(104)
Share of profit of an associate	(5,618)	(7,229)
Operating profit/(loss) before working capital change	743	(4,503)
Changes in working capital: -		
Net change in assets	(3,167)	3,860
Net change in liabilities	851	(3,537)
Cash used in operations	(1,573)	(4,180)
Income tax paid	(1,116)	(542)
Income tax refunded	-	146
Interest paid	-	(123)
Net cash used in operating activities	**(2,689)**	**(4,699)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to a related party	-	(5)
Net change in fixed deposits pledged with licensed bank	700	(1,457)
Interest received	257	104
Purchase of property, plant and equipment	-	(1,052)
Proceeds from disposal of property, plant and equipment	-	28
Proceeds from disposal of assets held for sale, net of RPGT	-	29,107
Net cash generated from investing activities	**957**	**26,725**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to related parties	-	(22)
Repayment of lease liabilities	(5,283)	(6,765)
Interest paid	(828)	(1,562)
Repayment of borrowings	(467)	(687)
Net cash used in financing activities	**(6,578)**	**(9,036)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(8,310)**	**12,990**
Effects of currency translation differences	-	(18)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	14,626	1,654
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**6,316**	**14,626**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current Period-To-Date Ended 30/9/25 RM'000	Preceding Year 12 Month Ended 31/12/24 RM'000
Represented by:		
Fixed deposits with licensed banks	6,760	13,488
Cash and bank balances	316	2,598
	7,076	16,086
Less: Fixed deposits pledged with a licensed bank	(760)	(1,460)
	6,316	**14,626**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended December 31, 2024 and the accompanying explanatory notes attached to the Interim Financial Report)

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A

Selected Explanatory Notes: MFRS 134

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention.

These condensed consolidated interim financial statements, 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 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The condensed financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended December 31, 2024. The explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2024.

Accounting standards and amendments to accounting standards that are applicable and effective for the Group are as follows:

Annual periods beginning on/after 1 January 2018
• MFRS 2 : Classification and Measurement of Share-based Payment Transactions
• MFRS 140 : Transfer of Investment Property
• MFRS 9 : Financial Instruments
• MFRS 15 : Revenue from Contracts with Customers
• Annual Improvements to MFRS Standards 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)
• IC Interpretation 22 : Foreign Currency Transactions and Advance Consideration
• Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Annual periods beginning on/after 1 January 2019
• MFRS 16 : Leases
• MFRS 128 : Investment in Associates and Joint Ventures
• MFRS 9 : Financial Instruments: Prepayment Features with Negative Compensation
• MFRS 119 : Employee Benefits: Plan Amendment, Curtailment or Settlement
• IC Interpretation 23 Uncertainty over Income Tax Treatments
• Annual Improvements to MFRS Standards 2015-2017 Cycle

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period financial statements of the Group.

2. Significant Accounting Estimates and Judgments

(1) Critical Judgments Made in Applying Accounting Policies

There are no critical judgments made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

(2) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty on the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as discussed below:

(i) Depreciation of motor vehicles

The cost of motor vehicles for operation and administrative purposes is depreciated on a straight-line basis over the asset's useful lives. Management estimates that the useful lives of these motor vehicles range from 5 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the economic useful lives and the residual value of these assets, therefore depreciation charges could be revised.

(ii) Impairment loss for receivables

The policy on impairment loss for receivables of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit worthiness and the past collection history of each customer. If the financial conditions of customers of the Group are to deteriorate, additional allowances may be required.

(iii) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management decision is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

3. Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended December 31, 2024 was not subject to any qualification.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and/or financial year-to-date.

5. Segmental information

a. Business segments

The segmental results for the 9 months ended 30 September 2025 are as follows:-

Business segment:	Investment holdings	Tyre products	Logistic solutions		Technology division	Total
			Malaysia	Singapore		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	4,289	17,866	1,247	35	23,437
Profit/(Loss) before taxation	3,791	25	(383)	20	(4,084)	(631)
Assets	43,177	6,579	21,317	185	719	71,977
Liabilities	640	1,145	15,869	453	231	18,338

b. Geographical segments

The results for the 9 months ended 30 September 2025 by geographical segments, are as follows:

	Malaysia	Singapore	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External	22,190	1,247	-	23,437
Inter-segment	1,587	1,762	(3,349)	-
Total revenue	23,777	3,009	(3,349)	23,437
(Loss)/Profit from operations	(5,471)	50	-	(5,421)
Finance costs	(798)	(30)	-	(828)
(Loss)/Profit before taxation	(651)	20	-	(631)
Other Information				
Segment assets	71,792	185	-	71,977

6. Changes in estimates

There were no changes in estimates that have had a material effect on the current quarter financial results.

7. Comments about seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

8. Dividends

No dividend has been paid or declared by the Group since the end of the previous financial year.

9. Debt and equity securities

The Company has not issued or repaid any debt and equity securities for the current quarter and financial year to date.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the quarter under review.

11. Capital commitments

There was no commitment for the purchase of property, plant and equipment and/or other capital commitments for the quarter under review.

12. Changes in contingent liabilities and contingent assets

Contingent liabilities of the Company as at September 30, 2025 since the last annual statement of financial position date comprise:-

	As at 30/9/2025 RM'000	**As at 31/12/2024** RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	2,059	2,526

13. Subsequent events

There were no events of a material nature which have arisen between the end of the current quarter and the date of this report that have not been reflected in the financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B

Additional information required by the Bursa Securities Listing Requirements

14. Performance Review

Comparison with previous year corresponding quarter

The Group recorded revenue of RM8.35 million and profit before taxation of RM1.06 million (Last Year: revenue of RM7.59 million and loss before taxation of RM2.29 million). The increase in profit is mainly due to higher revenue from the Logistic Solutions division and lower operating costs from the Group.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) from the Group has increased to a profit of RM1.13 million (Last Year: Loss of RM3.01 million) is mainly due to higher revenue from the Logistic Solutions division and lower operating costs from the Group.

Comparison with preceding quarter

	Current Quarter 30/9/25 RM'000	Preceding Quarter 30/6/25 RM'000	Changes (Amount/%) RM'000	
Gross revenue	8,346	7,737	609	8%
Operating profit before depreciation and finance cost	1,127	494	633	>100%
Share of profit of an associate	2,224	2,434	(210)	(9%)
Profit before taxation	1,058	586	472	81%

15. Commentary on prospects

Malaysia's advance Gross Domestic Product estimates increased by 5.2 per cent in the third quarter of 2025 as compared to 4.4 per cent in the previous quarter. All sectors contributed to the economy's performance, particularly the Services and Manufacturing sectors. Furthermore, the Mining & quarrying rebounded to positive growth during the quarter. In terms of quarter-on-quarter performance, Malaysia's economy expanded by 5.5 per cent, as compared to 1.0 per cent in the second quarter of 2025.

The Group's business outlook for 2025 will be challenging and competitive. Nevertheless, the Group will continue its focus on optimising capacity, assets utilisation and improving cost efficiency in every division.

16. Profit forecast or profit guarantee

The Group is not involved in any profit guarantee arrangement and has not provided any profit forecast.

17. Profit/(Loss) before taxation is derived after charging:

	Current Quarter 30/9/2025 RM'000	Current Year-to-date 30/9/2025 RM'000
Interest income	73	257
Interest expense	(235)	(828)
Depreciation and amortization	(2,058)	(6,189)

18. Income tax expense

	Current Quarter 30/9/2025 RM'000	Current Year-to-date 30/9/2025 RM'000
Provision	(1,170)	(1,170)

19. Corporate proposal

There were no corporate proposal announced but not completed as at date of this report.

Utilisation of proceeds
As at the end of the period under review, the summary of the utilisation of proceeds received by the Company from the disposal of property, plant and equipment are as follows:

	As at 30 September 2025	Intended timeframe for utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocate to RM'000	Balance proceeds unutilised RM'000
(i)	Working capital for Product expenditure	Within 24 months	3,992	(1,278)	-	2,714
(ii)	Working capital for Technical expenditure	Within 24 months	10,775	(5,938)	(1,551)	3,286
(iii)	Working capital for other operating expenses	Within 24 months	13,700	(15,328)	1,628	-
(iv)	Payment of RPGT	Within 2 months	1,043	(1,043)	-	-
(v)	Estimated expenses related to Disposal	Within 2 months	640	(563)	(77)	-
		Total	**30,150**	**(24,150)**	**-**	**6,000**

20. Borrowings

Details of borrowings are as follows:

	As at 30/9/2025		
	Long Term RM'000	**Short Term RM'000**	**Total borrowing RM'000**
Secured			
Finance lease liabilities	1,157	902	2,059
	As at 31/12/2024		
	Long Term RM'000	**Short Term RM'000**	**Total borrowing RM'000**
Secured			
Finance lease liabilities	1,651	875	2,526

21. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risks at the date of issue of the report.

22. Changes in material litigation

There was no material litigation as at September 30, 2025.

23. Dividend payable

The Directors do not recommend payment of any dividend for the current quarter.

24. Earnings/(Loss) per share

(a) Basic earnings/(loss) per share

	Current Year Quarter Ended 30/9/25	Preceding Year Quarter Ended 30/9/24	Current Year- To-Date Ended 30/9/25	Preceding Year-To-Date Ended 30/9/24
Profit/(Loss) attributable to owners of the parent (RM'000)	79	(2,088)	(985)	(4,530)
Weighted average number of issued ordinary shares ('000)	65,909	65,338	65,677	65,179
Basic earnings/(loss) per share (sen)	0.12	(3.20)	(1.50)	(6.95)

(b) Diluted earnings/(loss) per share

	Current Year Quarter Ended 30/9/25	Preceding Year Quarter Ended 30/9/24	Current Year- To-Date Ended 30/9/25	Preceding Year-To-Date Ended 30/9/24
Profit/(Loss) attributable to owners of the parent (RM'000)	79	(2,088)	(985)	(4,530)
Weighted average number of issued ordinary shares ('000)	65,909	65,338	65,677	65,179
Effect of outstanding ESGP ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	65,909	65,338	65,677	65,179
Diluted earnings/(loss) per share (sen)	0.12	(3.20)	(1.50)	(6.95)

25. Authorisation for issue

The Interim Financial Report was authorised for issue by the Board of Directors.

By order of the Board
Dated 28 November 2025