

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has conducted a limited review on this Circular in respect of the proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature pursuant to the provisions of Practice Note 18 of the Bursa Securities’ Main Market Listing Requirements (“MMLR”) but has not perused the proposed renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and the risks of the Proposed New and Renewal of Shareholders’ Mandate as set out in this Circular.



ARKA BERHAD

Registration No. 197701005709 (36747-U)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WHICH ARE
NECESSARY FOR DAY-TO-DAY OPERATIONS OF ARKA GROUP
 (“PROPOSED NEW AND RENEWAL OF SHAREHOLDERS’ MANDATE”)**

The resolution in respect of the above proposal will be tabled as Special Business at the 47th Annual General Meeting of Arka Berhad (“Company”) to be held at Dewan Bungaraya, Level 2, WP Hotel, 362, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Wednesday, 4 June 2025 at 10.00 a.m. or at any adjournment thereof.

The Form of Proxy must be lodged at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Monday, 2 June 2025 at 10.00 a.m.

Date and time of Annual General Meeting : Wednesday, 4 June 2025 at 10.00 a.m.

This Circular is dated 30 April 2025

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	—	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
Actual Value	—	The actual value of the Recurrent Related Party Transaction(s) entered by the Company and/or its subsidiaries with the Related Party(ies) from the date of the last Annual General Meeting of the Company held on 26 June 2024 up to 3 April 2025, being the latest practicable date prior to printing of this Circular
ADSB	—	Arka Data Sdn Bhd (202301032127 (1526050-K))
AESB	—	Arka Edge Sdn Bhd (198401006507 (119022-M))
AGM	—	Annual General Meeting
Arka or Company or AB	—	Arka Berhad (197701005709 (36747-U))
Arka Group or Group or AB Group	—	Arka Berhad and its subsidiaries
ARMC	—	Audit and Risk Management Committee of Arka Berhad
Board	—	The Board of Directors of Arka Berhad
Bursa Securities	—	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Director(s)		This shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or CEO of Arka, its subsidiary or holding company.
DPSB	—	Digital Planners Sdn Bhd (202001032029 (1388349-V))
ECSB	—	Enfrasys Consulting Sdn Bhd (201001001467 (886044-P))
ENSB	—	Enfrasys Network Sdn Bhd (202401002604 (1548454-U))
EPS	—	Earnings per share
Estimated Value	—	Estimated value of the Recurrent Related Party Transaction(s) to be entered by the Company and/or its subsidiaries with the Related Party(ies) from the date of the forthcoming 47 th AGM up to the date of the following AGM
ESSB	—	Enfrasys Solutions Sdn Bhd (200301000701 (603121-U))
Latest Practicable Date	—	Latest practicable date refers 3 April 2025, prior to printing of this Circular
Listing Requirements	—	Main Market Listing Requirements of Bursa Securities, including any amendments to the Listing Requirements that may be made from time to time

DEFINITIONS

Major Shareholder	— A person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in the corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares is- (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest in shares” has the meaning given in Section 8(4) of the Act.
Mandated Value	— The estimated value of the Recurrent Related Party Transaction(s) as disclosed in the Company’s circular to shareholders dated 30 April 2024 which had been duly approved by the Shareholders at the last AGM of the Company held on 26 June 2024.
NA	— Net assets
Proposed New and Renewal of Shareholders’ Mandate	— Proposed New and Renewal of Shareholders’ Mandate for the Group to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group’s day-to-day operations
Related Party(ies) or RP	— Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major shareholder(s) as defined under Chapter 1 and Chapter 10 of the Listing Requirements
Related Party Transaction(s) or RPTs	— Transaction(s) entered into by Arka Group which involves the interest, direct or indirect of a Related Party
RRPTs or Recurrent Related Party Transactions	— Transaction(s) with Related Parties involving recurrent transactions of a revenue or trading nature and which is necessary for the Group’s day-to-day operations and is in the ordinary course of business
RM and sen	— Ringgit Malaysia and sen, the lawful currency of Malaysia
Shareholders’ Mandate	— Shareholders’ approval for the Arka Group to enter into RRPTs, which had been obtained on 26 June 2024
Share(s)	— Ordinary Share(s) in Arka Berhad

In this Circular, unless there is something in the subject or context inconsistent herewith, the singular includes the plural and vice versa; references to gender include both genders and the neuter. Reference to persons shall include corporations.

All references to “our Company” in this Circular means Arka, reference to “we”, “us”, “our” and “ourselves” mean our Company, where the context otherwise requires, our Group. All references to “you” in this Circular means the shareholders of our Company, unless the context otherwise requires.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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ARKA BERHAD
Company Registration No. 197701005709 (36747-U)
(Incorporated in Malaysia)

Registered Office:-

Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town,
Pulau Pinang

30 April 2025

Board of Directors:-

Y.M. Dato' Syed Budriz Putra (*Non-Independent Non-Executive Chairman*)
Encik Ibrahim Aiman Bin Mohd Nadzmi (*Managing Director*)
Mr. Lee Chin Chuan (*Independent Non-Executive Director*)
Ms. Tung Shao Yin (*Independent Non-Executive Director*)
Ms. Au Foong Yee (*Independent Non-Executive Director*)

To: **The Shareholders of Arka Berhad**

Dear Sir/Madam,

PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

- 1.1 At our 46th AGM held on 26 June 2024, we have obtained your mandate to enter into various Recurrent Related Party Transactions of a revenue or trading nature and which are necessary for the Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The aforesaid Shareholders' Mandate shall in accordance with Listing Requirements, lapse at the conclusion of the forthcoming 47th AGM to be held on 4 June 2025, unless approval for its renewal is obtained from the shareholders of the Company at the forthcoming 47th AGM.
- 1.2 The Board had on 14 April 2025 announced that the Company proposed to seek its shareholders' approval for the new and renewal of the existing Shareholders' Mandate to enable the Group to enter into various RRPTs in accordance with Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements.
- 1.3 The Proposed New and Renewal of Shareholders' Mandate, if approved, shall take effect from the date of the passing of the ordinary resolution proposed at the forthcoming 47th AGM and is subject to annual renewal. The said mandate shall continue to be in force until:-
- (i) the conclusion of our next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting; or
 - (ii) the expiration of the period within which our next AGM after that date is required to be held pursuant to Section 340(2) of the Act, (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) revoked or varied by ordinary resolution passed by you in a general meeting of the Company;
- whichever occurs first.

- 1.4 Disclosure will be made in the annual report of the Company and in the annual reports for the subsequent financial years during which a shareholders' mandate is in force in respect of the breakdown of the aggregate value of RRPTs conducted pursuant to the shareholders' mandate during the financial year, the type of RRPTs made, the names of the related parties involved in each type of RRPTs and their relationship with our Company.
- 1.5 The purpose of this Circular is to provide you with the relevant information on the Proposed New and Renewal of Shareholders' Mandate and to seek your approval for the ordinary resolution in connection with the Proposed New and Renewal of Shareholders' Mandate to be tabled at the forthcoming 47th AGM of the Company.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE BEFORE VOTING ON THE RESOLUTION AT OUR FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

2.1 INTERESTS OF RELATED PARTIES

(a) The companies within the Group in which the Proposed New and Renewal of Shareholders' Mandate are applicable

Due to the diversity and size of the Group, in which the principal activities of the Group as set out in Section 2.3 of this Circular, the Group, in the ordinary course of business, enters into transactions with classes of related party as set out in Section 2.4 of this Circular. The Proposed New and Renewal of Shareholders' Mandate will apply to the following subsidiaries of Arka and/or any other existing subsidiaries of Arka during the period of the Proposed New and Renewal of Shareholders' Mandate is in force:-

- **AESB**, 80% owned subsidiary of Arka. AESB is principally involved in providing solutions and platforms in digital services related to AI, edge computing and platform services, which includes cloud and telecommunication solutions. Services include design, consult, develop, build and operate, install, host, provide, facilitate, manage, support, or other related digital services.
- **ADSB**, 100% owned subsidiary of Arka. ADSB is principally involved in data analytics, management, machine learning, and data model management. Services include consulting, design data pipelines, data modelling, data cleansing, analytics, building visual dashboards, reports and or any other related services.

(b) The classes of Related Party in which the Proposed New and Renewal of Shareholders' Mandate are applicable

The Proposed New and Renewal of Shareholders' Mandate would apply to the transactions with the Related Parties comprising Directors, Major Shareholders and/or persons connected with such Directors or Major Shareholders of the Company or any other company which is its subsidiary.

The Proposed New and Renewal of Shareholders' Mandate involves the following classes of Related Parties:-

i) Interested Director

Y.M. Dato' Syed Budriz Putra is the Non-Independent Non-Executive Chairman of the Company. He has no direct shareholding in the Company. He is deemed interested in the shares of the Company pursuant to Section 8(4) of the Act because DPSB, which is his associate has a direct interest of 32.06% in the Company and is a major shareholder of the Company.

The details of the shareholdings held by the above Interested Director are disclosed under Section 6, Page 9 to 10 of this Circular.

ii) Interested Major Shareholders

DPSB has a direct interest of 32.06% in the Company and is a major shareholder of the Company.

Y.M. Dato' Syed Budriz Putra is deemed interested in the shares of the Company pursuant to Section 8(4) of the Act because DPSB, which is his associate within the meaning of Section 8(5)(e) of the Act, has a direct interest of 32.06% in the Company and is a major shareholder of the Company.

H.R.H Sultan Sharafuddin Idris Shah is deemed interested in the shares of the Company pursuant to Section 8(4) of the Act because DPSB, which is his associate within the meaning of Section 8(5)(d) of the Act, has a direct interest of 32.06% in the Company and is a major shareholder of the Company.

iii) Persons Connected to interested Director and interested Major Shareholders

<u>Name</u>	<u>Relationship</u>
ESSB	Associate Company of the Company with 40% shareholding. The balance of 60% shareholding is held by ECSB, a wholly-owned subsidiary of a major shareholder of the Company.
<u>Related Party</u>	<u>Principal Activities</u>
ECSB	Providing training and consultancy services in the field of information technology including without limitation software development, system integration, programming, change management and strategic planning and any other information technology related activities.
ESSB	Providing software license selling, training and consultancy services in the field of information technology including without limitation software development, system integration, programming, change management and strategic planning and any other information technology related activities.
ENSB	Building, operating and maintaining telecommunications and digital networks and providing solutions.

2.2 MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

Under paragraph 10.09, Part E of Chapter 10 of the Listing Requirements, where there are RRPTs, we may seek your mandate in respect of such transactions subject to the following:-

- The transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- The mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- The issuance of a circular to you which includes information set out in the Appendix PN12-A of the Listing Requirements as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;

- (d) In a meeting to obtain the mandate, the Interested Director, Interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of a person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An Interested Director or Interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) Immediately announces to Bursa Securities when the actual value of RRPTs entered by the Group, exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.3 PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the Company are investment holding and provision of management services while the details of the Company's subsidiaries as at 3 April 2025 are as follows:-

<u>Name of subsidiaries</u>	<u>Effective equity interest (%)</u>	<u>Principal activities</u>
Subsidiary companies of AB		
AESB	80	Providing solutions and platforms in digital services related to Edge Technologies, including to design, develop, maintain, build and operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, license or in any other digital services including telecommunication solutions, wireless, data, GPS or other related digital services.
ADSB	100	Data management, analytics and Artificial Intelligence (AI).
Transocean Distribution Hub Sdn Bhd	100	Provision of warehousing services and trucking related services.
Usmeta Manufacturing Sdn Bhd	100	Manufacturing and trading of tyres.
Gerak Intensif Sdn Bhd	100	Provision of container haulage services.
Transocean Freight Services Pte. Ltd.	100	Provision of freight forwarding and trucking related services.
Transocean Logistics Sdn Bhd	100	Provision of custom brokerage, freight forwarding and trucking related services, international air and ocean freight services, warehousing and depot services.

Held through TLSB

Transocean Haulage Services Sdn Bhd	100	Provision of haulage services. The subsidiary has temporarily ceased operations.
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Held through AESB

Speedload Transport (KL) Sdn Bhd	100	Other transportation support activities. The subsidiary has temporarily ceased operations.
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2.4 NATURE OF THE RECURRENT RELATED PARTY TRANSACTIONS AND ESTIMATED VALUE

- (a) Details of the RRPTs, which required the **renewal** of Shareholders' Mandate in relation to the provision of, or obtaining from the related party, products and services in the normal course of business of Arka Group, and their values which are anticipated to occur are as follows: -

	Nature of Transactions	Interested Related Parties	Mandated Value RM	Actual Value RM	Estimated Value * RM
(i)	Product and services of Digital Solutions, Central platform for solutions and data, Cloud & Edge Computing, Data management, analytics and governance and Edge Orchestration Platform (EOP) services. This includes consultation services where required. Delivered by AESB and/or ADSB to ECSB and/or ESSB.	• H.R.H Sultan Sharafuddin Idris Shah • Y.M. Dato' Syed Budriz Putra • DPSB • ECSB • ESSB	25,000,000	11,043	12,000,000
(ii)	AESB to engage ECSB for the services of Hybrid Clouds, Edge Computing, Edge Orchestration Platform (EOP), including implementation, deployment, support and training.	• H.R.H Sultan Sharafuddin Idris Shah • Y.M. Dato' Syed Budriz Putra • DPSB • ECSB	3,000,000	1,944,000	2,000,000

	Nature of Transactions	Interested Related Parties	Mandated Value RM	Actual Value RM	Estimated Value * RM
(iii)	AESB to purchase Hardware Equipment (Server, Storage, Network equipment) and/or Software Licenses from ECSB and ESSB	• H.R.H Sultan Sharafuddin Idris Shah • Y.M. Dato' Syed Budriz Putra • DPSB • ECSB • ESSB	2,000,000	48,695	1,000,000

Note:

* For the period from 4 June 2025 (being the date of the forthcoming 47th AGM) to the date of the next AGM to be held in year 2026. The Estimated Value may vary and subject to changes.

- (b) Details of the RRPTs, which the Company is seeking **new** mandate from its shareholders in relation to the provision of, or obtaining from the related party, products and services in the normal course of business of Arka Group, and their values which are anticipated to occur are as follows: -

	Nature of Transactions	Interested Related Parties	Estimated Value * RM
(i)	Product and services of Digital Solutions, Central platform for solutions and data, Cloud & Edge Computing, Data management, analytics and governance, Edge Orchestration Platform (EOP) services, and/or 5G Private Networks. This includes consultation services where required. Delivered by AESB and/or ADSB to ENSB.	• ENSB	20,000,000
(ii)	AESB to engage ENSB for the services of Hybrid Clouds, Edge Computing, Edge Orchestration Platform (EOP), and/or 5G Private Network including implementation, deployment, support and training.	• ENSB	15,000,000

2.5 REVIEW PROCEDURES AND PRACTICES FOR RECURRENT RELATED PARTY TRANSACTIONS

To ensure that the RRPTs of our Group are conducted at arms-length basis and on normal commercial terms which are consistent with our Group's usual business practices, on transaction prices and terms not more favourable to the Related Party than those generally available to the third parties / public and are not detrimental to our minority shareholders, the following methods and procedures will apply to the review and approval of RRPTs:-

- a) Our Group will maintain a record of RRPTs.
- b) Our Board Members, who have an interest in the transactions to be reviewed, shall declare their interest in the transactions and abstain from deliberations and voting in respect of the related party transactions and will ensure that they and any Persons Connected with them will also abstain from voting on the resolution at the AGM to be convened for the purposes.
- c) Our ARMC shall review on a quarterly basis any related party transactions that may arise within our Company or our Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and on terms not detrimental to our minority shareholders.
- d) Disclosures will be made in our Annual Report of the breakdown of the aggregate value of RRPTs during the financial year (or financial period, as the case may be) to which the Annual Report relates, so long as the shareholders' mandate continues in force.
- e) The methods and procedures on which the price of transaction are to be determined by market forces, under similar commercial terms for transactions with third parties which depend on the demand and supply, quality and delivery of the products of the domestic market and subject to the availability of the products.

To ensure that at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be reviewed and will be determined based on the Group's usual business practices to ensure that the RRPTs are not detrimental to Arka Group or prejudicial to the interest of the shareholders.

The thresholds for the approval and guidelines for the relevant approving authority practiced by the Arka Group in relation to the RRPTs are as follow:-

- (i) The transactions value for the RRPTs below the prescribed threshold of RM1 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), will be approved by Head of Finance. The ARMC will review the RRPTs on quarterly basis.
- (ii) The transactions value for the RRPTs equal or more than the prescribed threshold of RM1 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is lower), will be reviewed by ARMC and recommended to the Board for approval.

2.6 AMOUNT DUE AND OWING TO ARKA GROUP BY RELATED PARTIES

There is no amount due and owing to the Arka Group by its related parties under the RRPTs which exceeded the credit term for the financial year ended 31 December 2024.

2.7 STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE

Our ARMC has reviewed the procedures mentioned in Section 2.5 of this Circular and is of the view that:-

- (i) the said procedures as well as the periodic review to be made by the ARMC in relation thereto, are sufficient to ensure that the RRPTs are carried out on terms not more favourable to Related Party than those generally available to the public and are not detrimental to the interests of our minority shareholders; and
- (ii) Arka Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever needed.

3. RATIONALE FOR, AND BENEFITS TO THE GROUP FROM TRANSACTING WITH THE RELATED PARTIES

- 3.1 The Proposed New and Renewal of Shareholders' Mandate will enable our Group to enter into the RRPTs as described in Section 2.4 of this Circular.
- 3.2 The RRPTs to be entered into by our Group are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms for the benefit of the Group as a whole. As such, it is anticipated that the RRPTs would occur on a frequent and recurrent basis.
- 3.3 The Proposed New and Renewal of Shareholders' Mandate will eliminate the need to make announcements to Bursa Securities and/or to convene separate general meetings from time to time to seek shareholders' prior approval for the entry by the Group into such RRPTs. This will also reduce substantial administrative time and expenses in convening such general meetings without compromising the corporate objective of the Group or affecting the business opportunities available to the Group.
- 3.4 As such, our Board is seeking shareholders' mandate pursuant to paragraph 10.09, Part E of Chapter 10 of the Listing Requirements for the RRPTs (as described in Sections 2.4 of this Circular) to allow our Group to enter into such RRPTs made on an arms-length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders and which are not prejudicial to the interests of our shareholders.
- 3.5 The goods and services provided by the Related Parties are priced competitively and all transactions between our Group and the Related Parties are carried out on an arms-length basis on normal commercial terms on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders.

4. EFFECTS OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed New and Renewal of Shareholders' Mandate will not have any effect on our issued and paid-up share capital and is not expected to have any material effect on the NA per share and EPS of our Group.

5. CONDITION OF THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed New and Renewal of Shareholders' Mandate is subject to your approval at our forthcoming 47th AGM under the agenda as Special Business. The Proposed New and Renewal of Shareholders' Mandate being procured from shareholders of the Company at the forthcoming AGM is subject to annual renewal.

6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

- 6.1 The direct and indirect shareholdings of the Major Shareholders and the Director of the Company and the persons connected to them who are interested in the RRPTs, held in Arka as at 3 April 2025, are summarised below:

Interested Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Y.M. Dato' Syed Budriz Putra	-	-	21,000,000 ^a	32.06

Interested Major Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
DPSB	21,000,000	32.06	-	-
Y.M. Dato' Syed Budriz Putra	-	-	21,000,000 ^a	32.06
H.R.H Sultan Sharafuddin Idris Shah	114,000	0.17	21,000,000 ^b	32.06

Person connected to interested Director and Major Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
ECSB	-	-	-	-
ESSB	-	-	-	-
ENSB	-	-	-	-

Notes:-

- (a) Deemed interested pursuant to Section 8(4) of the Act because DPSB, which is his associate within the meaning of Section 8(5)(e) of the Act, has a direct interest of 32.06% in the Company and is a major shareholder of the Company.
- (b) Deemed interested pursuant to Section 8(4) of the Act because DPSB, which is his associate within the meaning of Section 8(5)(d) of the Act, has a direct interest of 32.06% in the Company and is a major shareholder of the Company.
- 6.2 Save as disclosed above, none of the other Directors and/or Major Shareholders and/or persons connected to them have any interest, either direct or indirect, in the Proposed New and Renewal of Shareholders' Mandate. The interested Director, Y.M. Dato' Syed Budriz Putra has abstained and will continue to abstain from Board deliberations and voting in relation to the Proposed New and Renewal of Shareholders' Mandate. The said interested Director will abstain from voting in respect of his direct and indirect shareholdings on the resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate at the forthcoming AGM.
- 6.3 The interested Major Shareholders namely DPSB, Y.M. Dato' Syed Budriz Putra and H.R.H Sultan Sharafuddin Idris Shah will abstain from voting in respect of their direct and indirect shareholdings on the Ordinary Resolution where they have interests for the Proposed New and Renewal of Shareholders' Mandate to be tabled at the forthcoming 47th AGM.
- 6.4 The interested Director and/or interested Major Shareholders of Arka have undertaken to ensure that all the persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect interests in deliberating or approving the resolutions pertaining to the Proposed New and Renewal of Shareholders' Mandate at the forthcoming 47th AGM.

7. DIRECTORS' RECOMMENDATION

We, (with the exception of Y.M. Dato' Syed Budriz Putra) having considered all aspects of the Proposed New and Renewal of Shareholders' Mandate, are of the opinion that the Proposed New and Renewal of Shareholders' Mandate is in the best interest of the Group. Accordingly, we (with the exception of Y.M. Dato' Syed Budriz Putra, who being interested party to the Proposed New and Renewal of Shareholders' Mandate has abstained from expressing a recommendation relating to the Proposed New and Renewal of Shareholders' Mandate in which he is interested) recommend that you vote in favour of the Ordinary Resolution for the Proposed New and Renewal of Shareholders' Mandate to be tabled at our forthcoming 47th AGM of the Company.

8. AGM

- 8.1 The Notice of 47th AGM that contains the Ordinary Resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate, an extract of which is attached as Appendix II in this Circular, has been incorporated into the Company's Annual Report 2024 which is being circulated to you together with this Circular. The 47th AGM will be held at Dewan Bungaraya, Level 2, WP Hotel, 362, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on **Wednesday, 4 June 2025 at 10.00 a.m.** to consider, and if thought fit, to pass the resolution to give effect to the Proposed New and Renewal of Shareholders' Mandate.
- 8.2 If you are unable to attend and vote at our AGM, you will find a Form of Proxy attached in our Annual Report 2024 which you may complete and deposit at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (48) hours before the time set for the 47th AGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. FURTHER INFORMATION

Please refer to the Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors
ARKA BERHAD

TUNG SHAO YIN
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

The Company had on 28 November 2023 entered into a conditional sale and purchase agreement with Swift Integrated Logistics Sdn Bhd (“the Purchaser”), a wholly-owned subsidiary of Swift Haulage Berhad for the proposed disposal of 3 pieces of freehold land together with a single-storey bonded warehouse and a 5-storey office block erected thereon for a cash consideration of RM30.15 million (“Proposed Disposal”). The Proposed Disposal had been approved by members of the Company during the EGM held on 26 February 2024. The Proposed Disposal has been completed on 6 August 2024, following the payment of the Balance Sum and the interest, if any, in full by the Purchaser to the Company’s solicitors as stakeholders.

3. MATERIAL LITIGATION

Our Group has not involved in any material litigation, claims or arbitration, either as plaintiff or defendant and we are not aware of any proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially or adversely affect the position or business of our Group, financially or otherwise.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at our Registered Office at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of our forthcoming AGM: -

- (i) Company’s Constitution;
- (ii) Audited Financial Statements for the past two (2) financial period/year ended 31 December 2023 and 31 December 2024;
- (iii) Sale and purchase agreement for the Proposed Disposal.

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APPENDIX II

EXTRACT OF NOTICE OF THE 47th ANNUAL GENERAL MEETING OF THE COMPANY SCHEDULED TO BE HELD AT DEWAN BUNGARAYA, LEVEL 2, WP HOTEL, 362, JALAN TUANKU ABDUL RAHMAN, 50100 KUALA LUMPUR ON WEDNESDAY, 4 JUNE 2025

SPECIAL BUSINESS

To consider and if thought fit, to pass the following as ordinary resolutions, with or without any modifications : -

Ordinary Resolution: -

Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

RESOLVED: -

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), approval be and is hereby given to the Company's subsidiaries to enter into and give effect to the recurrent related party transactions of a revenue or trading nature as prescribed in Section 2.4 (a) and (b) of the Circular to Shareholders dated 30 April 2025 (hereinafter referred as "RRPT"), which are necessary for the day-to-day operations and undertaken in the ordinary course of business of the Company, on terms not more favourable to related parties than those generally available to the public and not detrimental to minority shareholders of the Company.

THAT such approval shall continue to be in force until: -

- (a) the conclusion of the Company's next AGM, at which time it will lapse, unless the authority is renewed by a resolution passed at the general meeting;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the Company's shareholders in a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the RRPT.

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