ARK RESOURCES HOLDINGS BERHAD ("ARK" OR THE "COMPANY")

PROPOSED ACQUISITION OF 3 PARCELS OF VACANT INDUSTRIAL LANDS BY KARYA KOPERAT SDN BHD FROM BOUSTEAD PENANG SHIPYARD SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM28,000,000 ("PROPOSED ACQUISITION")

*Unless otherwise stated, all information for the purpose of this announcement is dated 31 March 2026, being the latest practicable date prior to the date of this announcement ("**LPD**").*

1. INTRODUCTION

On behalf of the Board of Directors of ARK ("**Board**"), M & A Securities Sdn Bhd ("**M&A Securities**") wishes to announce that Karya Koperat Sdn Bhd ("**KKSB**"), a wholly-owned subsidiary of ARK, had on 31 March 2026 entered into a conditional sale and purchase agreement ("**SPA**") with Boustead Penang Shipyard Sdn Bhd (**"BPSSB**") for the acquisition of 3 adjoining parcels of vacant industrial land legally identified as Lot Nos. 9777, 20238, and 3222, held under Title Nos. HSD 6981, HSM 3558 and PN 649, respectively, all situated in Mukim 13, District of Timor Laut, Pulau Pinang (collectively, the "**Lands**"), measuring in aggregate approximately 107,058 square metres ("**sq m**") (1,152,362 square feet ("**sq ft**")), for a total cash consideration of RM28.00 million ("**Purchase Consideration**").

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition

On 31 March 2026, KKSB and BPSSB entered into the SPA to formalise the terms and conditions of the Proposed Acquisition, pursuant to which KKSB shall acquire and BPSSB shall dispose of the Lands, free from all encumbrances and with vacant possession, for the Purchase Consideration to be satisfied entirely in cash, subject to the terms and conditions of the SPA. Please refer to **Appendix I** of this announcement for the salient terms of the SPA.

Details of the Lands are as follows:

Title No.	**Lot No.**	**Land area**	**Purchase Consideration**
		Sq m (Sq ft)	**RM**
Hakmilik Sementara (HSD) 6981	Lot 9777	22,162 (238,550)	5,796,263.85
Hakmilik Sementara (HSM) 3558	Lot 20238	3,135 (33,745)	819,932.61
Pajakan Negeri 649	Lot 3222	81,761 (880,067)	21,383,803.54
		107,058 (1,152,362)	28,000,000.00

Pursuant to the SPA, KKSB is acquiring the Lands on an "as is where is" basis, free from all encumbrances and with full and complete vacant possession, subject to the reclassification of the zoning designation of the Lands from "Industrial (strictly for shipyard purposes)" to "Residential and/or commercial and/or industrial use" and the conversion of the existing categories of land use from industrial to "Residential and/or commercial and/or industrial use" and the change of express condition having been approved and other terms and conditions of the SPA.

Separately, IPC Island Property Consultants Sdn Bhd ("**Independent Valuer**") has been appointed to undertake an independent valuation of the Lands in connection with the Proposed Acquisition.

Upon completion of the Proposed Acquisition, KKSB will become the registered owner of the Lands.

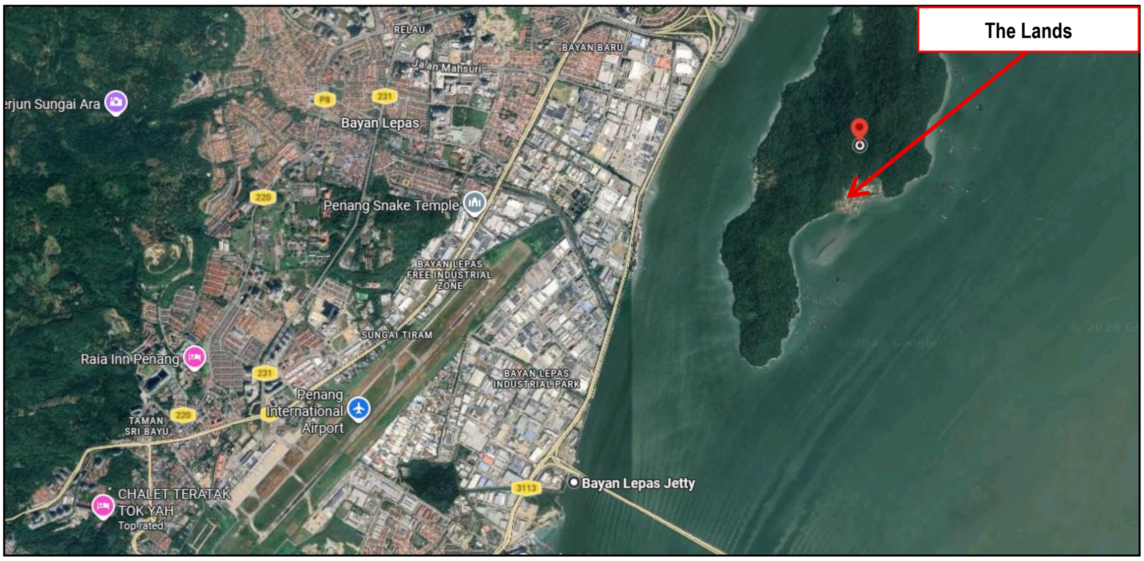
As the sole shareholder of KKSB, ARK has provided a corporate guarantee dated 31 March 2026 in favour of BPSSB to guarantee KKSB's obligations under the SPA. The corporate guarantee was approved by the Board via a resolution dated 31 March 2026.

2.1.1 Information of the Lands

The Lands comprise 3 adjoining parcels of vacant industrial land, collectively forming the project site for the Group's land banking purposes. The Lands are located within Pulau Jerejak, Mukim 13, District of Timor Laut, Pulau Pinang. Pulau Jerejak is a small island situated in the Penang Strait, off the southeastern coast of Penang Island, between Jambatan Pulau Pinang and Jambatan Sultan Abdul Halim Mu'adzam Shah.

The Lands were previously utilised for shipbuilding, ship repair, and warehousing purposes but have been vacant since June 2024. Present access to the Lands from Majlis Bandaraya Pulau Pinang (MBPP) is via Jalan Penang, Jalan Dr. Lim Chwee Leong, Gat Jalan Prangin, and then onto Lebuhraya Tun Dr. Lim Chong Eu, reaching the Astaka Pantai Seagate Jetty on the left side. From the jetty, access to the Lands is then continued by boat for approximately 4 kilometre.

The approximate location of the Lands is set out as below:



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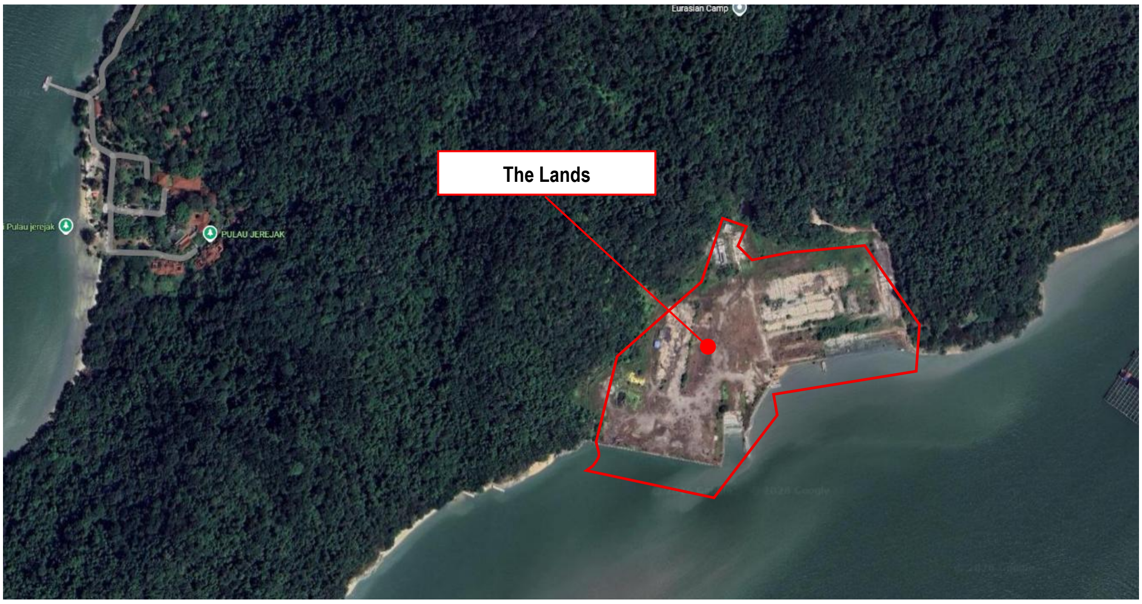

(Source: Independent Valuer)

Further details of the Lands are as follows:

Details		**Land 1**	**Land 2**	**Land 3**
Title No.	:	HSD 6981	HSM 3558	PN 649
Lot No.	:	Lot 9777	Lot 20238	Lot 3222
Locality	:		-	
District	:		Timor Laut	
Sub-district	:		Mukim 13	
State	:		Pulau Pinang	
Land area	:	22,162 sq m	3,135 sq m	81,761 sq m
Quit Rent	:	RM72,027.00	RM10,189.00	RM57,233.00
Tenure	:	Leasehold interest for a term of 99-year expiring on 24 January 2072 (the unexpired term is about 46 years as at LPD)	Leasehold interest for a term of 60-year expiring on 15 November 2073 (the unexpired term is about 47 years as at LPD)	Leasehold interest for a term of 99-year expiring on 24 January 2072 (the unexpired term is about 46 years as at LPD)
Category of land use	:	Perusahaan/ Perindustrian(1)	Bangunan(1)	Perusahaan/ Perindustrian(1)
Registered owner	:		BPSSB	
Intended land use	:	Residential and/or commercial and/or industrial use	Residential and/or commercial and/or industrial use	Residential and/or commercial and/or industrial use
Existing use	:		Nil(2)	
Express condition	:	<u>In respect of Lot 9777</u> 1. The land hereby alienated shall be used solely for a shipyard and any building erected there on shall be used solely for the said purpose. 2. The proprietor of the land hereby alienated shall not erect any building on the said land without the written consent of the Director of Land and mines. 3. The proprietor of the land hereby alienated shall at all time ensure that no oiling takes place as result of any building erected on the said land.		

Details		Land 1	Land 2	Land 3
		4. The proprietor of the land hereby alienated shall not reclaim the land without written consent of the State Authority. 5. The proprietor shall ensure that 25% of the employees engaged in the business for which the land is hereby alienated shall be Malays. In respect of Lot 20238 Tanah yang diberimilik ini hendaklah digunakan untuk tujuan tapak pembinaan dan membaikpulih kapal binaan struktur luar pantai dan fabrikasi kejuruteraan berat, serta perluasan tapak kemudahan-kemudahan asas termasuk surau sedia ada. In respect of Lot 3222 1. The land hereby alienated shall be used solely for a shipyard and any building erected thereon shall be used solely for the said purpose. 2. The proprietor of the land hereby alienated shall not erect any building on the said land without the written consent of the Director of Land and Mines. 3. The proprietor shall ensure that 25% of the employees engaged in the business for which the land is hereby alienated shall be Malays.		
Restriction in interest	:	In respect of Lot 9777 The land hereby alienated shall not be transferred, charged, leased, sub-leased or otherwise in any manner dealt with or disposed of without the written sanction of the State Authority. In respect of Lot 20238 Tanah yang diberimilik ini tidak boleh dipindahmilik, cagar, pajak, pajakan kecil atau sebarang bentuk urusniaga melainkan setelah mendapat kelulusan Pihak Berkuasa Negeri. In respect of Lot 3222 The land hereby alienated shall not be sub-divided. The land hereby alienated shall not be transferred, charged, leased, sub-leased or otherwise in any manner dealt with or disposed of without the written sanction of the State Authority.		
Encumbrances	:		Nil	
Market value[3]	:	RM5.85 million	RM0.85 million	RM21.50 million
Audited net book value as at 31 December 2024	:		RM11.58 million	

Notes:

(1) An application to reclassify the zoning designation of the Lands from "Industrial (strictly for shipyard purposes)" and "Bangunan" to "Residential and/or commercial and/or industrial use" will be submitted to the relevant authorities no later than 2 months from the date of the SPA.

(2) The Lands were previously utilised for shipbuilding and ship repair as well as warehousing purposes, but has been vacant since June 2024.

(3) As appraised by Independent Valuer vide its valuation certificate dated 31 March 2026 ("**Valuation Certificate**"), using the comparison method. The combined appraised value of the Lands is RM28.20 million.

2.1.2 Information of KKSB

KKSB is a private limited company incorporated in Malaysia on 11 August 2025 under the Companies Act 2016 ("**Act**"). KKSB is principally an investment holding company.

As at LPD, KKSB has an issued share capital of RM1.00 comprising 1 ordinary share, which is held by ARK. The sole director of KKSB is Dato' Mohamad Zekri Bin Haji Ibrahim.

2.1.3 Information of BPSSB

BPSSB is a private limited company incorporated in Malaysia on 14 February 1972 under the Companies Act 1965 and is deemed registered under the Act. BPSSB is principally involved in oil and gas fabrication, fabrication of steel structures and platforms, shipbuilding and ship repair, heavy engineering, and investment holding.

As at LPD, BPSSB has an issued share capital of RM350,000,000 comprising 350,000,000 ordinary shares, which are all held by Boustead Heavy Industries Corporation Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The sole director of BPSSB is Syafiq Effendi Bin Mat Zain.

2.1.4 Basis of and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the market value of the Lands, as appraised by the Independent Valuer, vide its Valuation Certificate using the comparison approach of valuation.

The Board is of the view that the Purchase Consideration for the Proposed Acquisition is fair and justifiable based on the following:

(i) the Purchase Consideration represents a discount of 0.7% to the fair market value of the Lands as assessed by the Independent Valuer;

(ii) the future prospects of the Lands as set out in Section 5.3 of this announcement; and

(iii) the rationale for the Proposed Acquisition as set out in Section 3 of this announcement.

2.1.5 Mode of settlement of the Purchase Consideration and sources of funding

Pursuant to the SPA, the Purchase Consideration will be satisfied entirely in cash in the following manner:

(i) the initial deposit of approximately RM0.84 million (or equivalent to 3.0% of the Purchase Consideration) has been paid to BPSSB's solicitors on 18 December 2025 ("**Initial Deposit**");

(ii) the balance deposit of approximately RM1.96 million (or equivalent to 7.0% of the Purchase Consideration), will be paid simultaneously with the execution of the SPA ("**Balance Deposit**");

(iii) the total initial purchase consideration of approximately RM2.80 million (or equivalent to 10.0% of the Purchase Consideration), shall be paid in the following manner:

    a. RM1.40 million shall be payable within 5 business days from KKSB's receipt of the rezoning approval ("**Rezoning Initial Payment**"); and

b. RM1.40 million shall be payable within 5 business days from KKSB's receipt of the conversion approval ("**Conversion Initial Payment**");

(iv) the retention sum of approximately RM0.84 million (or equivalent to 3.0% of the Purchase Consideration), will be paid within 3 business days upon KKSB's receipt of certified true copies of the state consents ("**Retention Sum**"); and

(v) the balance purchase consideration ("**Balance Purchase Consideration**") of approximately RM21.56 million (or equivalent to 77.0% of the Purchase Consideration) shall be payable within 30 business days from the date the SPA becomes unconditional (**"Unconditional Date"**).

For avoidance of doubt, the SPA shall be deemed unconditional on the date on which the last of the conditions precedent (as set out in Section 2 of Appendix I) is fulfilled or waived by mutual agreement between KKSB and BPSSB.

The indicative timeline of payment pursuant to the Proposed Acquisition is as follows:

Indicative timeline	**Milestone**	**Payment**
12 December 2025	• Acceptance of Letter of Intent	• Initial Deposit(1)
31 March 2026	• Execution of SPA	• Balance Deposit
T*	• Receipt of Rezoning Approval	• Rezoning Initial Payment
T^	• Receipt of Conversion Approval	• Conversion Initial Payment
T^ + 30 days	• Receipt of state consents	• Retention Sum
	• SPA becomes unconditional	• Balance Purchase Consideration

Notes:

T* The Group expects to obtain the Rezoning Approval within 6 months from the date SPA execution.

T^ The Group expects to obtain the Conversion Approval within 9 months from the date of application, after obtaining the Rezoning Approval.

(1) The Initial Deposit payment was made on 18 December 2025.

Refer to **Appendix I** of this announcement for further details on the manner of payment of the Purchase Consideration.

The Purchase Consideration will be fully satisfied in cash, which is expected to be financed through a combination of internally generated funds and borrowings. The exact proportion of funding will depend on, amongst other factors, the level of internal funds of ARK and its subsidiaries ("**ARK Group**" or "**Group**") and the availability and suitability of funding alternatives at the relevant time.

For avoidance of doubt, proceeds raised from the private placement completed by ARK on 1 December 2025 will not be utilised for this Proposed Acquisition.

2.2 Liabilities to be assumed by the Company

Save for the obligations arising from or in connection with the SPA for the Proposed Acquisition, there are no other liabilities including contingent liabilities and/or guarantees expected to remain with ARK Group arising from the Proposed Acquisition.

2.3 Additional financial commitment

Save for the potential borrowings that will arise from funding the Purchase Consideration of the Proposed Acquisition, as detailed in the financial effects set out in Section 8.2, there is no additional financial commitment required by ARK Group for the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

ARK Group is principally involved in property development and property construction activities.

The Proposed Acquisition are carried out as part of the ordinary course of business of ARK Group as a property developer, with the aim of enhancing its landbank for future development, thereby ensuring continued development opportunities for the Group going forward.

Premised on the above, the Board is of the view that the Proposed Acquisition is in the best interest of the Group, as they support the expansion of the Group's property development business through the acquisition of new landbank for future projects.

4. RISK FACTORS

4.1 Completion risk

The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the terms and conditions under the SPA including the conditions precedent set out in **Appendix I,** of this announcement. In the event any of the conditions precedent are not fulfilled by the parties involved within the stipulated time as set out in the SPA or are waived, the Proposed Acquisition may be delayed or terminated. There can be no assurance that the conditions precedent can be fulfilled, and the Proposed Acquisition can be completed within the conditional period. Ultimately, should a delay or non-completion of the Proposed Acquisition occur, the Group will not be able to realise the objectives and benefits of the Proposed Acquisition.

Notwithstanding the foregoing, the Group will take all reasonable steps to ensure that the conditions precedent are fulfilled within the stipulated timeframe as well as to take steps to mitigate the occurrence of termination events in order to complete the Proposed Acquisition in a timely manner.

4.2 Acquisition risk

The Proposed Acquisition is expected to contribute positively to ARK Group. However, there can be no assurance that the anticipated benefits arising from the development of the Lands will fully materialise in the future. The Group has yet to formulate concrete development plans for the Lands as at LPD, and despite its endeavours to do so in the future, the anticipated benefits of the Proposed Acquisition to be realised may be insufficient to offset the cost associated with the Proposed Acquisition and its future development.

4.3 Financing risk

ARK Group will be seeking external financing to fund the Purchase Consideration of the Proposed Acquisition. The Group intends to finance the Purchase Consideration through a combination of borrowings and internally generated funds. Its ability to finance the Proposed Acquisition is dependent on various factors, including general economic and capital market conditions, weaker-than-expected operating cash flows arising from delays in project progress or handover, rising construction costs that compress operating margins and reduce available free cash, slower sales or lower collection rates from purchasers which may impact working capital recovery, and unexpected operational disruptions such as cost overruns, supply chain challenges, or regulatory changes that divert cash resources away from funding the Proposed Acquisition. Collectively, these risks may impair the Company's capacity to obtain sufficient borrowings and generate adequate internal funds on a timely basis.

To mitigate these risks, the Group will manage its internal cash reserves prudently to ensure sufficient liquidity for operational needs, while maintaining flexibility to support future growth initiatives. Based on the terms of the Proposed Acquisition, the total Purchase Consideration of which the bulk amounting to RM21.56 million (or equivalent to 77.0% of the Purchase Consideration) is to be paid within 30 business days from the Unconditional Date (as defined in the SPA). The fulfilment of conditions precedents set out in **Appendix I** of this announcement is expected to take at least 15 months. This defers the bulk of the payment of the Purchase Consideration, providing additional time for the Group to generate the funds required for the Proposed Acquisition. Nonetheless, there is no assurance that such time will be sufficient for the Group to generate the necessary funds required, and/or that the Group can secure the necessary facilities to fund the Proposed Acquisition in time.

4.4 Market valuation of the Lands

The valuation of the Lands by the Independent Valuer is based on certain assumptions, which are inherently subjective and uncertain, and may differ materially from actual transactions in the market. Further, lands valuations generally include subjective determination of certain factors, such as its location, relative market position and physical condition. The market value of the Lands appraised by the Independent Valuer is not an indication of, and does not guarantee, an equivalent or greater sale price either at the present time or at any time in the future.

Nonetheless, the Board will continue to monitor the property market outlook in the surrounding area of Penang Island and the Peninsular to ensure alignment with the Group's long term property investment strategy of the Lands.

5. OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics ("**E&E**") goods. Inbound tourism and information and communication technology ("**ICT**")-related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

On the supply side, growth was mainly accounted for by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E sub-sector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. Meanwhile, the agriculture sector strengthened, reflecting higher growth for palm oil amid less severe floods compared to last year. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.8% (3Q 2025: 2.7%).

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia)

In 2026, Malaysia's economy is projected to expand between 4.0% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.2 Overview and outlook of the property development industry in Malaysia

For the third quarter of 2025, the performance of the property industry experienced a decline with the number of transactions decreasing by 3.5% to 108,250 transactions as compared to 112,119 transactions during the same period in 2024. Despite the decline in number of transactions, the value of the transaction has increased by 12.6% to RM64.4 billion from RM57.2 billion in the preceding year's quarter.

The residential sub-sector retained the largest share of the overall property transaction, with a 61.7% contribution in volume. This was followed by agricultural (18.6%), commercial (10.9%), development land & others (6.6%) and industrial (2.2%). In terms of transaction value, the residential sub-sector took the lead with a 44.3% share, followed by commercial (24.1%), industrial (14.6%), development land and others (10.6%) and agriculture (6.4%).

There has also been an increase in the residential property construction activity in the third quarter of 2025 as the number of completed units increased by 13.2% to 26,872 units as compared to 23,749 units during the same period in 2024, whereas the commencement of new construction sees a decline of 34.0% to 21,287 units as compared to 32,233 units during the same period in 2024. As for the serviced apartment construction activity in the third quarter of 2025, there was an increase in the number of completed units by 4.4% to 11,656 units as compared to 11,160 units during the same period in 2024. However, there was a significant increase in the commencement of new construction for serviced apartments by 32.4% to 24,628 units as compared to 18,601 units during the same period in 2024.

(Source: Property Market Q3 2025 Snapshots, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Prospects of the Lands

The Lands are strategically located on Penang Island in an area with strong growth prospects. Directly in front of the Lands, Penang Development Corporation ("**PDC**") owns 2 parcels of reclaimed land, which are earmarked for future development. This planned development by PDC is expected to enhance accessibility, infrastructure, and overall land value in the vicinity. The Proposed Acquisition aligns with the Penang State Government's Rancangan Tempatan 2025 – 2035, which includes large-scale reclamation and urban development projects, particularly in areas facing Pulau Jerejak. The Group is of the view that the Lands are well positioned to benefit from these long-term structural plans and infrastructural enhancements.

(Source: Management of ARK)

6. APPROVALS REQUIRED

The Proposed Acquisition are subject to the following approvals being obtained:

(i) shareholders of ARK and the shareholders of BPSSB's holding company (i.e. Boustead Heavy Industries Corporation Berhad) at an extraordinary general meeting ("**EGM**") to be convened;

(ii) the relevant Government Agency for the reclassification of the zoning designation of the Lands;

(iii) the relevant Land Registry to convert the category of land use;

(iv) the Economic Planning Unit for the proposed sale and purchase of the Lands;

(v) approval from the State Authority for the transfer of the Lands from BPSSB to KKSB;

(vi) consent of the existing financiers of Boustead Heavy Industries Corporation Berhad; and

(vii) any other relevant authority, if required.

The Proposed Acquisition is not conditional upon any other corporate exercise/proposal undertaken or to be undertaken by the Company.

7. HIGHEST PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(iii) of the Main Market Listing Requirements ("**MMLR**") is approximately 113.5% calculated based on the total Purchase Considerations for the Proposed Acquisition over the audited consolidated net assets ("**NA**") of ARK Group for FYE 31 March 2025.

Accordingly, the Proposed Acquisition is deemed as a "very substantial transaction" pursuant to Paragraph 10.02(n) of the MMLR.

7.1 Additional information for very substantial transactions

Pursuant to Paragraph 10.10 of the MMLR, the additional information required in relation to "very substantial transactions" are set out below:

(i) As at LPD, the Proposed Acquisition of the Lands is exclusively for land banking purposes and as such there is no development plan yet. Pursuant thereto, there is no expected additional costs required to put on-stream the operations of ARK;

(ii) The Proposed Acquisition is expected to contribute positively to the Group's long-term growth as it provides strategic flexibility for the future development and ensures sustained projects launches; and

(iii) The expected returns from the Proposed Acquisition are anticipated to arise from the potential future development of the Lands.

For avoidance of doubt, the Proposed Acquisition will not result in a significant change in business direction or policy of the Company pursuant to the Equity Guidelines issued by the Securities Commission Malaysia as the Lands to be acquired are for land banking purpose and is similar to the core business of ARK, which is property development.

8. EFFECTS OF THE PROPOSED ACQUISITION

8.1 Issued share capital

The Proposed Acquisition will not have any effect on the issued share capital in the Company as it will not involve any issuance of new ordinary shares in ARK ("**ARK Shares**" or "**Shares**").

8.2 NA per share and gearing

The proforma effects of the Proposed Acquisition on the NA and gearing of ARK Group, based on the latest audited consolidated statement of financial position of ARK Group as at 31 March 2025 ("**FYE 2025**"), is set out below:

	(I)	**(II)**	**(III)**
	As at FYE 2025	**After subsequent events[1]**	**After the Proposed Acquisition**
	RM'000	**RM'000**	**RM'000**
Share capital	28,823	30,769	30,769
Reserve	31,307	31,307	31,307
Accumulated losses	(35,466)	(35,466)	(35,466)
Total equity/ NA	**24,664**	**26,610**	**26,610**
No. of shares in issue	90,484,043	99,532,043	99,532,043
NA per share (RM)	0.27	0.27	0.27
Total borrowings (RM'000)	278	278	[2]20,278
Gearing (times)	0.01	0.01	0.76

Notes:

(1) After adjusting for the issuance of 9,048,000 new ARK Shares pursuant to a private placement exercise which was completed on 1 December 2025, the payment of Initial Deposit in relation to the Proposed Acquisition on 18 December 2025, the refund of deposit upon termination of joint venture agreement on 5 January 2026 and the incorporation of KKSB on 11 August 2025.

(2) For illustrative purposes, it is assumed that RM20.00 million of the Purchase Consideration will be financed through borrowings, with the remaining RM8.00 million to be satisfied via internally generated funds.

The Group's pro forma gearing is expected to increase to 0.76 times as a result of the Proposed Acquisition, arising from the additional potential borrowings to be undertaken. However, the anticipated benefits arising from the future property development of the Lands are expected to enhance the Group's overall financial performance over the medium to long term.

Furthermore, given the nature of the Proposed Acquisition being a land banking exercise, the acquired Lands will provide asset backing for the additional borrowings to be assumed. Pursuant thereto, the Board is of the view that the Proposed Acquisition is undertaken in the best interest of the Group.

8.3 Earnings and Earnings per Share ("EPS")

The Proposed Acquisition is not expected to have any immediate material effect on the earnings of the Group. However, the Board believes that the Proposed Acquisition will contribute positively to the Group's future earnings and EPS as the Group expands its property development business in the future.

8.4 Substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the Company's substantial shareholders' shareholdings as it will not involve any issuance of new ARK Shares.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of ARK and/or persons connected with them have any interest, whether directly or indirect, in the Proposed Acquisition.

10. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, basis and justification of arriving at the total Purchase Consideration of the Proposed Acquisition, effects of the Proposed Acquisition, terms and conditions of the SPA, and the preliminary evaluation from the Independent Valuer, is of the opinion that the Proposed Acquisition is in the best interests of the Group and its shareholders.

11. ADVISERS

M&A Securities has been appointed as the Principal Adviser for the Proposed Acquisition.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by third quarter of 2027.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The copies of SPA as well as the Valuation Certificate for the Lands are available for inspection at the registered office of ARK at Suite A, Level 9 Wawasan Open University 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, during normal business hours between Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 31 March 2026.

APPENDIX I – SALIENT TERMS OF THE SPA

The salient terms of SPA are as follows:

1. AGREEMENT FOR SALE AND PURCHASE

1.1 Sale

Subject to the terms and conditions contained in this agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase, the Lands at the Purchase Consideration.

1.2 Basis of Sale

This Lands are sold –

(a) on an "as is where is" basis with vacant possession as at the Date of Possession;

(b) free from all Encumbrances, but subject to all restrictions in interest and conditions of title applicable thereto whether express or implied; and

(c) with all rights, titles and benefits attaching thereto with effect from Completion Date.

2. CONDITIONS PRECEDENT

2.1 Completion conditional

The obligations of the parties to complete the sale and purchase of the Lands under this agreement are in all respects conditional upon the fulfilment of the following conditions precedent before the expiry of the Conditional Period:

(a) The Purchaser, at its own cost and expense –

(1) obtaining approval from the relevant Governmental Agency for the reclassification of the zoning designation of the Lands from "Industrial" (strictly for shipyard purposes" to "residential and/or commercial and/or industrial use";

(2) obtaining approval from the relevant Land Registry to convert the category of land use from "Industrial" to "residential and/or commercial and/or industrial use" and to amend the express condition of the Lands to facilitate the intended development to be carried out by the Purchaser on the Lands (**Conversion Approval**);

(3) if applicable, obtaining approval from the EPU as required under the EPU Guidelines for the sale and purchase of the Lands (**EPU Approval**); and

(4) procuring approval of the shareholders of the Guarantor at a general meeting for the sale and purchase of the Lands in accordance with the terms of this agreement.

(b) The Vendor, at its own costs and expenses –

(1) obtaining approval from the State Authority for the transfer of the Lands from the Vendor to the Purchaser (**State Consents**)

(2) procuring consent of the existing financiers of Boustead Heavy Industries Corporation Berhad (**BHIC**) for the disposal of the Lands; and

(3) procuring approval of the shareholders of BHIC at a general meeting for the sale and purchase of the Lands in accordance with the terms of this agreement.

2.2 EPU Approval

(a) The Application

As soon as practicable after the receipt by the Purchaser from the Vendor of all the necessary documents for the EPU Approval application, the Purchaser shall submit or cause to be submitted the application for the EPU Approval. The proof of such application shall be submitted to the Vendor or the Vendor's Solicitors within (5) Business Days of submission.

(b) Status update

The Purchaser or the Purchaser's Solicitors shall, upon request by the Vendor or the Vendor's Solicitors, furnish information on the progress concerning EPU Approval from time to time.

(c) Delivery of the EPU Approval

The Purchaser shall deliver certified true copies of the EPU Approval to the Vendor within (5) Business Days of its receipt of the same.

2.3 Rezoning Approval and Conversion Approval

(a) The Application

(1) After the execution of this agreement and in any event no later than (2) months from the date of this agreement, the Purchaser shall, submit the application for the Rezoning Approval to the relevant Governmental Agency.

(2) Prior to submitting the application for Rezoning Approval, the Purchaser shall provide the Vendor with written notification of the proposed zoning designation(s) and relevant supporting documents.

(3) The proof of such application shall be submitted to the Vendor or the Vendor's Solicitors within (5) Business Days of submission.

(4) Within (14) Business Days from the date of the receipt of the Rezoning Approval, the Purchaser shall, submit the application for the Conversion Approval to the relevant Governmental Agency. The proof of such application shall be submitted to the Vendor or the Vendor's Solicitors within (5) Business Days of submission.

(5) The parties hereby agree that, in the event if required by the relevant Governmental Agency as part of the application related to the Rezoning Approval and Conversion Approval with supporting documents issued by the relevant Governmental Agency and the same shall be delivered by the Purchaser to the Vendor, the Purchaser is authorised to submit the application for Planning Permission (Kebenaran Merancang) for the intended development to be carried out by the Purchaser on the Lands. In this regard, the Purchaser may by way of written request to the Vendor, apply for an extension of time up to (6) months to the Conditional Period commencing from the date of the Purchaser's request, to enable the Purchaser to comply with the relevant Governmental Agency's requirement. The Vendor shall consider such request in good faith, and the consent shall not be unreasonably withheld or delayed.

(b) Status update

The Purchaser or the Purchaser's Solicitors shall, upon request by the Vendor or the Vendor's Solicitors, furnish information on the progress concerning the Rezoning Approval and Conversion Approval from time to time.

(c) Delivery of the Rezoning Approval and Conversion Approval

The Purchaser shall deliver certified true copies of the Rezoning Approval and Conversion Approval to the Vendor within (5) Business Days of its receipt of each of the same.

2.4 State Consents

(a) The Application

Within (14) Business Days from the date of the receipt of the Rezoning Approval and Conversion Approval by the Purchaser, the Vendor shall take all necessary steps to file such application as may be required to obtain State Consents, subject to the Vendor having received a certified true copy each of the Rezoning Approval and Conversion Approval and the Initial Purchase Consideration from the Purchaser.

(b) Outstanding Premium

In the event that the Vendor is unable to obtain the State Consent due to any matter arising from the Rezoning Approval or Conversion Approval, including but not limited to any requirement to pay a premium on the Lands pursuant to the Conversion Approval, the Purchaser shall, at its sole cost and expense, pay such premium as may be necessary to enable the Vendor to obtain the State Consent.

(c) Delivery of the State Consents

The Vendor shall deliver a certified true copy of the State Consents to the Purchaser within (5) Business Days of its receipt of the same.

2.5 Appeals

(a) In the event that a condition is imposed in respect of any one of the Approvals which affects a party and is unacceptable to the party affected ("**Affected Party**"), the Affected Party shall have the option, exercisable by written notice to the other party within (14) Business Day from the date on which such condition is made known to the Affected Party, to reject such condition.

(b) If the grant of any of the Approvals has been refused or has been made subject to a condition which the Affected Party have rejected in accordance with clause 2.5(a):

(1) The Affected Party shall be entitled to lodge an appeal, or exercise any other available right of review of appeal ("**Appeal**"), in respect thereof within (14) Business Days of the Purchaser or the Vendor receiving notification in writing of such refusal or condition.

(2) If the Appeal in accordance with clause 2.5(b)(1) is refused or is permitted subject to a condition which the Affected Party have rejected, the Approval shall be deemed to not have been obtained and Parties shall work in good faith to discuss and agree on the necessary amendments to be made to the plans in order to obtain the Approval.

2.6 Duty To Provide Information

(a) Each party shall, within (7) Business Days of receiving a written request from the other party, provide all relevant documents and execute such documents as may be reasonably required by the requesting party for the purpose of making any application to satisfy the conditions precedent. The Vendor shall provide a copy of latest quit rent and assessment bill in respect of the Lands duly paid up to date.

(b) Upon the relevant conditions precedent being fulfilled, the party fulfilling such conditions precedent shall within (5) Business Days thereof notify the other party in writing and shall forward to the other party the relevant documents, where applicable, evidencing the fulfilment of the said conditions precedent.

2.7 No Termination During the Conditional Period

(a) Neither party shall be entitled to issue a Notice of Termination to other party during the Conditional Period in respect of any Approvals, except upon the receipt of formal written rejection from the relevant person, body or Governmental Agency in respect of any of the conditions precedent, where such rejection is final and not capable of being appealed or rectified pursuant to clause 2.5, including where the parties, have after good faith discussion under clause 2.5(b)(2), agreed in writing that rectification is not feasible.

(b) In the event that a Notice of Termination is given pursuant to clause 2.7(a), the provision under clause 2.9 shall apply.

(c) Any other attempt by a party to terminate this agreement during the Conditional Period in respect of any Approvals other than as permitted in clause 2.7(a) shall constitute an event of default under this agreement.

2.8 Conditions Precedent Not Satisfied

(a) Upon expiry of the Conditional Period, the Parties shall first consult in good faith to determine the appropriate course of action, including without limitation an extension of the Conditional Period or the implementation of alternative arrangements.

(b) If any conditions precedent remains unfulfilled or cannot be fulfilled, and the Parties do not agree on an extension or alternative arrangements within (7) Business Days, either party shall be entitled to issue a Notice of Termination to the other party, and the provision under clause 2.9 shall apply.

2.9 Termination For Non-Fulfilment of Conditions Precedent

(a) In the event that a Notice of Termination is given pursuant to clause 2.7(a) or clause 2.8(b):

(1) if such termination arises due to the rejection or non-fulfilment of the Rezoning Approval or Conversion Approval, the Vendor shall be entitled to retain the Deposit as consideration for the Vendor’s agreement to include the Rezoning Approval and Conversion Approval as conditions precedent, except where such termination arises solely from the Vendor’s default or failure to fulfil its part of the relevant conditions precedent, in which case such amount shall be refunded to the Purchaser.

(2) if termination arises from the rejection or non-fulfilment of any other conditions precedent, the Deposit shall be refunded to the Purchaser in full, less all interest payable by the Purchaser under this agreement.

(b) If applicable, the Purchaser's Solicitors shall immediately release the Retention Sum together with any interest accrued thereon to the Purchaser if such sum has not been remitted to the Director General of Inland Revenue ("**DGIR**"). In the event the Retention Sum has been remitted to the DGIR, the Vendor shall render all reasonable assistance to the Purchaser for the Purchaser's application to the DGIR to obtain a refund of the Retention Sum.

(c) The Vendor shall within (14) days of the Notice of Termination, refund all other sums paid by the Purchaser towards the Purchase Consideration (if any), free of interest, less all interest payable by the Purchaser under this agreement, to the Purchaser.

(d) Simultaneous with the Vendor's compliance with clause 2.9(c) above, the Purchaser shall–

(1) return or cause to be returned to the Vendor all relevant documents delivered to the Purchaser in respect of this agreement; and

(2) withdraw or cause to be withdrawn any private caveat lodged by the Purchaser over the Lands at the Purchaser's cost and expense.

(e) The Vendor shall be entitled to effect the deed of revocation of the Limited Power of Attorney.

2.10 Unconditional Date

This agreement shall become unconditional on the day upon which the last of the conditions precedent is fulfilled in accordance with this agreement or waived by mutual agreement of the Parties.

3. CONSIDERATION AND PAYMENT

3.1 Purchase Consideration

The Purchase Consideration shall be paid by the Purchaser to the Vendor in accordance with this clause 3.

3.2 Deposit

(a) The Deposit shall be paid as follows:

(1) Prior to the execution of this agreement, the Purchaser has paid a sum of Ringgit Malaysia Eight Hundred and Forty Thousand (RM840,000) as earnest deposit to the Vendor, the receipt of which the Vendor hereby acknowledges.

(2) Simultaneously with the execution of this agreement, the Purchaser shall pay a sum of Ringgit Malaysia One Million Nine Hundred and Sixty Thousand (RM1,960,000) as balance deposit to the Vendor.

(b) Any and all interest accrued on the Deposit shall belong solely to the Vendor irrespective of whether completion of this agreement takes place, and shall not form part of any sums refundable to the Purchaser under this agreement.

3.3 Initial Purchase Consideration

The Initial Purchase Consideration shall be paid as follows:

(a) The Purchaser shall pay a sum of Ringgit Malaysia One Million Four Hundred Thousand (RM1,400,000) to the Vendor within (5) Business Days from the Purchaser's receipt of the Rezoning Approval.

(b) The Purchaser shall pay a sum of Ringgit Malaysia One Million Four Hundred Thousand (RM1,400,000) to the Vendor within (5) Business Days from the Purchaser's receipt of the Conversion Approval.

3.4 Retention Sum

(a) Within (3) Business Days upon the Purchaser's receipt of a certified true copy of the State Consents, the Purchaser shall pay the Retention Sum to the Purchaser's Solicitors, and the Purchaser's Solicitors are authorised by the Parties to deal with the Retention Sum in accordance with the provisions of this agreement.

(b) The Parties acknowledge that the payment of the Retention Sum shall be toward account of the Purchase Consideration.

3.5 Balance Purchase Consideration

The Purchaser shall pay the Balance Purchase Consideration within the Completion Period to the Vendor's Solicitors as stakeholders who are hereby authorised by the parties to release the same to the Vendor upon the expiry of (14) Business Days from the presentation of the Transfer at the relevant Land Registry for registration.

3.6 Interest for Delay in Payment

(a) In addition to and without prejudice to the rights and remedies of the Vendor set out in this agreement, the Purchaser shall pay to the Vendor interest at the rate of 6% per annum, calculated on a daily basis on such part of the Purchase Consideration that is due but remains unpaid after the respective due date commencing from the date falling after the respective due date until such time that the amount due in respect of such part is paid to the Vendor in full.

(b) The Purchaser shall pay the interest accrued pursuant to clause 3.6(a) simultaneously with the payment of the Balance Purchase Consideration to the Vendor.

3.7 Corporate Guarantee

Simultaneously with the execution of this agreement, the Purchaser shall procure that the Guarantor delivers the Corporate Guarantee to the Vendor.

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