DPS RESOURCES BERHAD ("DPS" OR "COMPANY")

MEMORANDUM OF UNDERSTANDING BETWEEN SHANTAWOOD SDN BHD ("SSB"), A WHOLLY-OWNED SUBSIDIARY OF DPS, AND HANGYUE INTELLIGENT ELECTRICAL CO., LTD. ("HANGYUE") FOR STRATEGIC COOPERATION IN DIGITAL ENERGY INFRASTRUCTURE, DATA CENTRES UP TO 89MW IN BUKIT RAMBAI, MELAKA

1. INTRODUCTION

The Board of Directors of DPS ("Board") wishes to announce that Shantawood Sdn Bhd ("SSB"), a wholly-owned subsidiary of DPS, has on 7 August 2026 entered into a Memorandum of Understanding ("MoU") with Hangyue Intelligent Electrical Co., Ltd. ("Hangyue") to establish a long-term strategic partnership to promote Chinese investment in Malaysia and collaborate in digital energy infrastructure, data centres, industrial development and related projects ("Proposed Collaboration").

Under the Proposed Collaboration, Hangyue will, amongst others, facilitate the colocation of Chinese enterprises at SSB's proposed data centre facility with a capacity of up to 89 megawatts ("MW"), for a minimum tenancy term of fifteen (15) years at an indicative rental rate of approximately USD130 to USD230 per kilowatt ("kW") per month, depending on the specific requirements of the prospective tenants.

(SSB and Hangyue shall hereinafter be referred to individually as a "Party" and collectively as the "Parties".)

2. INFORMATION ON SSB

SSB [Registration No. 199101005229 (215539-A)] is a private company incorporated in Malaysia and a wholly-owned subsidiary of DPS [Registration No. 200301028458 (630878-X)], whose nature of business includes: manufacturing of furniture and roof truss, provision of kiln-drying services and trading in furniture and carry on business on construction services, real property and housing development related services.

SSB is the owner of the land proposed for the development of the Data Centre campus, including the Property situated at Lots 66–73, 76, 77 and 1629, Kawasan Perindustrian Bukit Rambai, Melaka.

3. INFORMATION ON HANGYUE

Hangyue is a provider of digital energy infrastructure specialising in power supply, distribution, system integration and the colocation of data centres.

Hangyue intends to leverage its resources, network and capabilities to connect Chinese enterprises with investment opportunities in Malaysia, facilitate project promotion and business matchmaking, provide tailored digital energy solutions and facilitate the colocation of Chinese enterprises at SSB's data centre facility.

4. SALIENT TERMS OF THE MOU

The salient terms of the MoU are as follows:

(a) Recitals

The proposed SSB Data Centre initiative has undergone prior consultation with Tenaga Nasional Berhad (TNB) on March 10, 2026. SDT Engineering Sdn. Bhd. has confirmed that there is sufficient power capacity of up to 89.1 MW. Additionally, a reliable water supply has been validated through consultations with the Syarikat Air Melaka Berhad (SAMB) on July 21, 2026, and by GNL Engineering Consultancy.

SSB has received a state support letter from the Chief Minister of Melaka, dated July 30, 2026. The application form with relevant documents and the support letter has been duly submitted to the Data Centre Task Force (DCTF) as part of our application process.

The Parties agree to establish a long-term strategic partnership to:

- Connect Chinese industrial resources with Malaysian industrial parks;
- Support digital energy infrastructure and localised services; and
- Promote resource synergy and share commercial opportunities. .

(b) Key Industrial Directions

The Proposed Collaboration will focus on the following areas:

- Electronics and semiconductor industries, including the promotion of printed circuit board ("PCB") manufacturing, semiconductor packaging and related industries;
- Digital energy and data centres, including energy supply, modular data centres and related infrastructure;
- Intelligent equipment and advanced manufacturing, including automation and mechanical equipment; and
- Regional supply chain and corporate services, including warehousing and supply chain management for Chinese enterprises.

(c) Responsibilities of the Parties

Hangyue:

- Connect Chinese enterprises with local investment needs;
- Facilitate project promotions and business matchmaking;
- Provide tailored digital energy solutions; and
- Facilitate the colocation of Chinese enterprises at SSB's data centre facility with a capacity of up to 89 MW, for a minimum tenancy term of fifteen (15) years at an indicative rental rate of approximately USD130 to USD230 per kW per month, depending on their specific requirements.

SSB:

- Supply accurate legal and operational documentation;
- Manage park investment, infrastructure and local government coordination; and

- Assist in site selection and project implementation.

SSB shall not be liable for changes beyond its control unless arising from gross misconduct.

(d) Non-Binding and Non-Exclusive

The MoU is non-binding and non-exclusive and operates on a first-come, first-served basis, subject to the execution of definitive agreements between the Parties.

(e) Term and Termination

The MoU shall take effect from the date of execution by both Parties and shall remain in force for a period of two (2) years unless terminated earlier by either Party by giving thirty (30) days' prior written notice to the other Party.

The termination or expiry of the MoU shall not affect any discussions, negotiations or definitive agreements already entered into by the Parties unless otherwise agreed in writing.

(f) Governing Law

The MoU shall be governed by and construed in accordance with the laws of Malaysia.

5. RATIONALE OF THE MOU

The MoU provides DPS, through its wholly-owned subsidiary SSB, with the opportunity to collaborate with Hangyue in promoting and developing SSB's data centre and digital energy infrastructure initiatives in Melaka.

The Proposed Collaboration is expected to enhance SSB's ability to connect with Chinese enterprises seeking to establish or expand their operations in Malaysia and to facilitate potential long-term colocation opportunities at SSB's proposed data centre facility of up to 89 MW.

In particular, Hangyue will facilitate the colocation of potential Chinese enterprises for a minimum tenancy term of fifteen (15) years at an indicative rental rate of approximately USD130 to USD230 per kW per month, subject to the specific requirements of the prospective tenants and the execution of definitive agreements.

The MoU also provides a broader platform for the Parties to collaborate in digital energy infrastructure, electronics and semiconductors, intelligent equipment and advanced manufacturing, supply chain services, industrial park development and investment promotion.

Overall, the Proposed Collaboration is expected to strengthen the Group's data centre development pipeline, enhance the value and utilisation of the Group's assets and provide potential opportunities for long-term recurring income, subject to the successful procurement of tenants and the execution of the relevant definitive agreements.

6. FINANCIAL EFFECTS

The MoU is not expected to have any immediate material effect on the earnings, net assets, gearing, issued share capital and substantial shareholders' shareholdings of DPS for the financial year ending 31 March 2027.

However, the successful implementation of the Proposed Collaboration and execution of definitive agreements may contribute positively to the future earnings of DPS and its subsidiaries ("DPS Group").

7. RISK FACTORS

As the MoU is non-binding and any specific project and commercial arrangement will be subject to separate definitive agreements, the Board is of the view that the immediate risk exposure to the Group arising from the MoU is limited.

In the event SSB enters into any definitive agreement pursuant to the MoU, the Group will exercise due care in considering the associated risks and benefits and take appropriate measures to facilitate the successful implementation of the Proposed Collaboration.

8. APPROVALS REQUIRED

The MoU is entered into in the ordinary course of business of the Group and, being non-binding, does not require the approval of the shareholders of the Company.

Any definitive agreement and/or specific project arising from the Proposed Collaboration shall be subject to such approvals from the relevant authorities and/or shareholders, if required.

9. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of the Company and/or persons connected with them has any direct or indirect interest in the MoU.

10. DIRECTORS' STATEMENT

The Board, having taken into consideration all aspects of the MoU, is of the opinion that the MoU and the Proposed Collaboration are in the best interest of the Company.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the MoU will be available for inspection at the registered office of the Company at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor, during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 7 August 2026.