

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

SHAREHOLDERS AGREEMENT BETWEEN DPS, SUNVIEW ASSET MANAGEMENT SDN BHD, A WHOLLY OWNED SUBSIDIARY OF SUNVIEW BERHAD AND DPS SUNVIEW SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

The Board of Directors of DPS ("Board") wishes to announce that DPS, and DPS Sunview Sdn Bhd, a wholly owned subsidiary of DPS ("DPSS") had on 30 January 2024 entered into a Shareholders Agreement ("SHA") with Sunview Asset Management Sdn Bhd, a wholly owned subsidiary of Sunview Group Berhad ("Sunview") where SAM and DPS have agreed to subscribe to a total of 199,900 ordinary shares in DPSS.

(DPS, DPSS and SAM shall hereinafter collectively be referred to as the "Parties" and individually referred to as "Party").

2. INFORMATION ON THE PARTIES

2.1 Information on DPS

DPS is a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). DPS was incorporated in Malaysia on 9 October 2003 with its registered address at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor.

DPS is principally engaged in investment holding.

As at the date of this announcement, the issued shares capital of DPS is RM 111,626,157.40 comprising 211,597,044 ordinary shares.

The present Directors of DPS are as follows:

- (a) Tan Sri (Dr) Sow Chin Chuan
- (b) Prof Datuk Dr. Raduan Che Rose
- (c) Dato' Dr. Jalaluddin Bin Harun
- (d) Puan Sri Chu Kim Guek
- (e) Mr. Edward Sow Yuen Seng
- (f) Ms. Emily Sow Mei Chet
- (g) Mr. Mea Fatt Leong
- (h) Mr. Eugene Sow Chuan Sheng

As at the date of this announcement, DPS' substantial shareholders and their shareholdings based on DPS' register of substantial shareholders are as follows:-

Name of Substantial Shareholders	No. of ordinary shares held			
	Direct	%	Indirect	%
Tan Sri (Dr) Sow Chin Chuan	88,794,161	41.96	3,890,037	1.84
Puan Sri Chu Kim Guek	3,848,037	1.82	88,836,161	41.98
Emily Sow Mei Chet	-	-	92,642,198	43.78
Edward Sow Yuen Seng	-	-	92,642,198	43.78
Eric Sow Yong Shing	42,000	0.02	92,642,198	43.78
Edmund Sow Yong Ming	-	-	92,642,198	43.78
Eugene Sow Chuan Sheng	-	-	92,642,198	43.78

2.2 Information on DPSS

DPSS is a private limited company incorporated in Malaysia on 4 October 2023 with its registered address at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor.

DPSS is principally involved in engineering services and the operation of generation facilities that produce electric energy.

As at the date of this announcement, the issued share capital of DPSS is RM100 comprising 100 ordinary shares.

The present Directors of DPSS are Tan Sri (Dr) Sow Chin Chuan, Mr. Eugene Sow Chuan Sheng and Mr. Tay Wee Kee.

The shareholder of DPSS and its shareholding prior to the Shareholders' Agreement is as follows:-

Name of Shareholder	No. of ordinary shares held	Shareholdings (%)
DPS	100	100.00
Total	100	100.00

2.3 Information on SAM

SAM is a wholly-owned subsidiary of Sunview. SAM was incorporated in Malaysia on 30 August 2023 with its registered address at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

SAM is principally engaged in solar power generation, supply, and associate services. Sunview is an investment holding company listed on the ACE Market of Bursa Securities. Through its subsidiaries, Sunview is principally involved in the engineering, procurement, construction and commissioning of solar photovoltaic facilities. The facilities are for large scale solar projects, industrial, commercial, and residential buildings, solar PV and installation services, solar power generation and supply as well as associated products and services to complement its core services.

As at the date of this announcement, the issued share capital of SAM is RM310,002 comprising 310,002 ordinary shares.

The present Directors of SAM are Mr. Ong Hang Ping and Mr. Chow Kian Hung.

The shareholder of SAM and its shareholding is as follows:-

Name of Shareholder	No. of ordinary shares held	Shareholdings (%)
Sunview	310,002	100
Total	300,002	100

3. DETAILS OF THE SUBSCRIPTION

The Parties mutually agree that within thirty (30) business days from the date of the SHA, each respective Party will subscribe to new DPS Shares at the subscription price of RM1.00 per DPSS Share in the following manner ("**Subscription**"):-

Shareholders of DPSS	The Subscription		Shareholding in DPSS after completion of the Subscription	
	No of DPSS Shares	%	No of DPSS Shares	%
DPS	119,900	60.00	120,000	60.00
SAM	80,000	40.00	80,000	40.00
Total	199,900	100.00	200,000	100.00

4. SALIENT TERMS OF THE SHA

4.1 Effective Date and Duration

The Parties hereto have entered into this Agreement to regulate their relationship as shareholders upon completion of the Subscription.

The SHA takes effect on the date of the completion of the Subscription subject to SAM being recorded as a registered shareholder of DPSS ("**Effective Date**").

The SHA shall come into force and effect on the Effective Date and shall continue in full force and effect until the first occurrence of any of the following events:

- (a) the termination of SHA with the unanimous consent of all shareholders; or
- (b) should there be any transfer of ordinary shares in accordance with the SHA resulting in only one (1) remaining shareholder, the SHA will automatically be terminated and be of no further effect; or
- (c) immediate termination upon the occurrence of winding up or liquidation of DPS, whether voluntary or compulsory,

provided that any such termination shall be without prejudice to the other provisions of the SHA.

4.2 Share Capital and Capital Injection

- (a) The Board of DPSS (“**DPSS Board**”) may at any time and from time to time issue DPSS Shares to the shareholders according to the shareholding percentage in an amount and on terms determined by the DPSS Board. The contribution of the shareholders towards each such issue shall be by way of payment in cash, in an amount of Ringgit Malaysia One (RM1.00) for each DPSS Share.
- (b) Within thirty (30) business days from the date of the SHA:
 - i. DPSS shall (and the shareholders shall cause DPSS to), issue 199,900 ordinary shares of RM1.00 each in DPSS; and
 - ii. the shareholders shall subscribe for such number of Shares as stipulated above by way of payment in cash,and DPSS shall utilise the entire proceeds for the implementation and development of the proposed 50MWac rooftop solar photovoltaic project, known as the DPS Solar Project, or any future solar projects undertaken by DPS. A default by any Party in respect of its obligations under Section 4.2(b) shall constitute an event of default leading to compulsory transfer of Shares to the non-defaulting Party.
- (c) Unless otherwise agreed between the Parties or as set out in the SHA, the issued and paid-up share capital of DPSS shall be held by the Parties in the proportion of their respective shareholding percentage unless varied to comply with any law, regulation, directive or policy of any government or other relevant authority.
- (d) Upon capital injection by the Parties pursuant to **Section 4.2(b)** hereof, DPSS shall appoint SAM to apply for the designation of Registered Solar PV Investor with Sustainable Energy Development Authority (SEDA) at the cost and expense of DPSS.

4.3 Business, Management and Operation of DPSS

- (a) DPSS’ sole business shall be operating as the company implementing and developing the DPS Solar Project (“Business”).
- (b) Within 7 business days from the completion of Subscription, each of the shareholders shall procure (and exercise such voting or control rights available to them to cause):
 - (i) the appointment of Directors in accordance with the provisions of the SHA whereby the Board of DPSS shall comprise three (3) directors, in which whom:-
 - (a) Two (2) shall be nominated and appointed by DPS; and
 - (b) One (1) shall be nominated and appointed by SAM.

- (ii) the passing of such resolution(s) and mandate(s) as may be required for the opening, maintenance and designation of authorised signatories, of bank accounts for DPSS;
- (iii) the passing of such resolution(s) and mandate(s) as may be required for the appointment of a chief executive officer ("CEO") of DPSS and to accord the CEO such power, rights and authority as may be necessary for the purposes of the Business;
- (iv) the passing of such resolution(s) and mandate(s) as may be required for the appointment of corporate secretary(ies), auditor, tax agents, legal representative (if any) of DPSS.

4.4 Events of Default

The following events will be events of default if a Party fails to remedy such breach (if capable of remedy) within thirty (30) days after being given notice by one or more of the other Parties to do so:

- (a) any breach of any of the warranties by a shareholder or if any of the warranties proves to be untrue, inaccurate or misleading in any material respect;
- (b) any shareholder committing a breach of any of its undertakings and obligations under the SHA; or
- (c) any shareholder being unable to pay its debts as they fall due, or becomes, or will foreseeably become bankrupt or wound up, or a petition is presented or a proceeding is commenced or an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up, insolvency, judicial management, administration, reorganisation, reconstruction, dissolution or bankruptcy of such shareholder or for the appointment of a liquidator, receiver, judicial manager, administrator, trustee or similar officer of the shareholder over all or any part of its business or assets, or if any event analogous to any of the foregoing shall occur in any jurisdiction.

5. SOURCE OF FUNDING

DPS intends to fund the subscription for 119,900 DPSS Shares amounting to RM119,900 via its internally generated funds.

6. LIABILITIES TO BE ASSUMED

Save for the subscription of DPSS share by DPS, there are no other liabilities, including contingent liabilities and guarantees to be assumed by DPS.

7. RATIONALE AND PROSPECTS

The Subscription marks DPS' entry into the green energy space, leveraging its track record in civil & structural work including infrastructure and earth work projects and Sunview's expertise in the engineering, procurement, construction and commissioning (EPCC) of solar photovoltaic systems.

With landbank of more than 1,000 acres, DPS also provides a solid foundation for large-scale solar energy projects.

This collaboration represents a strategic alliance opportunity for DPS and its subsidiary companies (the “**Group**”) to increase its sustainable revenue. From an Environmental, Social and Governance (“**ESG**”) perspective, the Project is expected to generate clean energy, create work and entrepreneurship opportunities, contribute to national food security and reduce the Group’s carbon footprint.

Moving forward, DPS intends to participate in further green energy business opportunities. Barring any unforeseen circumstances, the Board believes that the SHA will contribute positively to the Group’s future earnings growth and create long-term impact on ESG.

8. RISK FACTORS

8.1 Outlook and Prospects

Malaysia Green Energy Market

The Malaysia Renewable Energy Market size is expected to grow from 9.68 gigawatt in 2023 to 12.04 gigawatt by 2028, at a CAGR of 4.45% during the forecast period (2023-2028).

- During the period covered by the forecast, the market is likely to be driven by things like more investments and the country's efforts to switch from fossil fuels to renewable energy as a source of power. The government of Malaysia has also put in place policies and incentives to help solar energy grow, which is expected to drive the market even more.
- However, on the other hand, factors such as the rising adoption of alternate clean power sources, such as gas-fired power plants and nuclear energy projects, are likely to hinder the market's growth during the study period.
- Malaysia is aiming to install 9 GW of solar energy capacity by 2050. Therefore, the country's ambitious solar energy targets and business models such as solar leasing are expected to create significant opportunities in the near future.

(Source: *Malaysia Renewable Energy Market Size*, <https://www.mordorintelligence.com/industry-reports/malaysia-renewable-energy-market/market-size>)

The government will soon open up bids for Malaysia's fifth large-scale solar (LSS) photovoltaic programme, with a quota of up to 2GW of which a developer can bid for up to 500MW.

The Energy Commission will issue request for proposal (RFP) documents from April 1 for the programme following a three-year hiatus.

The latest LSS programme will introduce a new category of floating solar with a total quota of 500MW.

It will also raise the application limit of a company to up to 500MW, according to a statement by the Ministry of Energy Transition and Public Utilities.

(Source: The Edge Malaysia, 26 January 2024, <https://theedgemaalaysia.com/node/698685>)

Melaka Green Energy Market

The state government is committed to intensifying efforts to promote the use of green energy among its people, said state Housing, Local Government, Drainage, Climate Change and Disaster Management Committee chairman Datuk Rais Yasin. He said this was in line with the federal government's commitment as announced under Budget 2024 by Prime Minister Datuk Seri Anwar Ibrahim yesterday regarding climate change and green technology.

Rais said various initiatives implemented at both the federal and state levels to preserve green technology, including allocating funds, would greatly benefit the community.

"For example, the Net Energy Metering (NEM) project will be continued until the end of 2024. So, through the Green Technology Corporation, I will ensure that this programme is implemented efficiently. In the meantime, we will double efforts to encourage homeowners to switch to using solar energy in their homes," he added.

(Source: Press Release Bernama, 14 October 2023, <http://energy.bernama.com/news.php?id=2234975>)

8.2 Feasibility and Risk of DPSS' Business

The potential risks are that the solar energy to Sustainable Energy Development Authority (SEDA) Malaysia may be outpriced by its competitors or may be too low to generate sustainable earnings for the Group. Further, the Parties may also face implementation risks (eg. supply chain disruptions, price volatility, foreign exchange swings etc.) once the bid has been won which is in the past. Currently, the current Madani Government have announced that the supplier of the green energy is allowed to see their customers through TNB.

To mitigate these risks, the Group shall collaborate with selected engineering, procurement, construction and commissioning (EPCC) partner(s) which possess the required technical expertise and track record on long-term basis to ensure success of its projects.

9. FINANCIAL EFFECTS OF THE SHA

9.1 Issued share capital and substantial shareholders' shareholdings

The Subscription and SHA will not have any effect on the issued share capital and substantial shareholders' shareholdings in the Company as it will not involve any issuance of new shares.

9.2 Earnings and earnings per share

The SHA is not expected to have a material effect on the consolidated earnings and EPS of the Group for the financial year ending 31 March 2024.

The Group is expected to benefit positively from long-term growth of the Business under the SHA.

9.3 Net Asset ("NA") per share and gearing

The SHA is not expected to have a material effect on the consolidated NA, NA per share and gearing of the Group in the financial year ending 31 March 2024.

10. APPROVAL REQUIRED

The SHA is not subject to the approval of the shareholders of the Company and/or any regulatory authorities.

11. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders and persons connected with the Directors and/or major shareholders of the Company have any direct or indirect interest in the SHA.

12. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of DPS, after having considered the relevant aspects of the SHA to which includes but not limited to the terms, rationale and prospects of the SHA, is of the opinion that the SHA is in the best interest of the Company.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SHA dated 30 January 2024 are available for inspection at the registered office of the Company at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor during normal business hours from Mondays to Fridays (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 30 January 2024.