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DEEP SOURCE HOLDINGS LIMITED

至源控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

CONNECTED TRANSACTION IN RELATION TO LEASE AGREEMENT

THE LEASE AGREEMENT

The Board announces that on 1 October 2026, the Lease Agreement was entered into between Deep Source (PN), an indirect wholly owned subsidiary of the Company, as lessee and Southern Steel as lessor regarding the leasing of the Property for a period of three years commencing from the Unconditional Date at a monthly rental of RM917,250 (approximately HKD1,761,120).

Pursuant to HKFRS 16 “Leases”, the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the Property leased under the Lease Agreement with the aggregate consideration of approximately RM33,000,000 (approximately HKD63,400,320). Accordingly, the transaction contemplated under the Lease Agreement will be recognised as the acquisition of right-of-use assets, which will constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Southern Steel is a company controlled by and an associate of Mr. You Zhenhua, our indirect controlling Shareholder. Therefore, Southern Steel is a connected person of the Company. As the highest applicable percentage ratio in respect of the transaction contemplated under the Lease Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Lease Agreement falls within the thresholds prescribed in Rule 14A.76(2) of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

THE LEASE AGREEMENT

The Board announces that on 1 October 2026, the Lease Agreement was entered into between Deep Source (PN), an indirect wholly owned subsidiary of the Company, as lessee and Southern Steel as lessor regarding the leasing of the Property for a period of three years commencing from the Unconditional Date as detailed below:

Date

1 October 2026

Parties

- (i) Southern Steel as the lessor; and
- (ii) Deep Source (PN) as the lessee.

Southern Steel is listed on the Main Market of Bursa Malaysia Securities Berhad. It is owned as to 50.1% by Green Estee Pte. Ltd., 27.8% by Hong Leong Manufacturing Group Sdn. Bhd. and the remaining 22.1% by other public shareholders.

Green Estee Pte. Ltd. is owned as to 39.1% by Mr. You Zhenhua, 36.4% by Advance Venture Investments Limited (wholly owned by Mr. You Zhenhua), 20.2% by the Company and 4.3% by other independent shareholders. Hong Leong Manufacturing Group Sdn. Bhd. is controlled by Tan Sri Quek Leng Chan.

Subject Matter

Southern Steel shall lease the Property to Deep Source (PN) pursuant to the terms and conditions of the Lease Agreement.

Details of Property

All those pieces of leasehold lands held under the following titles, all situated in Mukim 01, Seberang Perai Tengah, Pulau Pinang, Malaysia.

Title description	Expiry date of 60-year leasehold titles	Approximate land area (hectares)
PN 7882, Lot 6350	13 January 2059	0.44803
HSD 30934, PT 2992	18 September 2049	1.3126
HSD 30938, PT 2996	18 September 2049	1.017
HSD 46354, PT 3039	7 November 2049	0.4663
HSD 60079, PT 4564	24 October 2073	0.3217
HSD 60077, PT 4562	24 October 2073	0.736
HSD 60078, PT 4563	24 October 2073	0.5698
HSD 37943, PT 3057		
(registered with SSP)	21 March 2050	1.0237
PN 10623, Lot 10092	1 July 2112	0.4000
	Total	6.29513

Term

The Lease Agreement is for a period of three years commencing from the Unconditional Date. Prior to the expiry of the initial term or any renewal term, the parties shall discuss in good faith the renewal of the tenancy and may, if mutually agreed, renew the tenancy for a further term of three years for each renewal, subject to all requisite regulatory approvals being obtained. The rent for each renewal term shall be based on the then prevailing market rent.

Conditions Precedent

The lease pursuant to the Lease Agreement is conditional upon the fulfilment of the following conditions precedent within 90 (ninety) days from the date of the Lease Agreement or such other extended period agreed upon by the parties thereto:

- (a) the consent from the Penang State Authority having been obtained by Southern Steel for (i) its grant of a tenancy to Deep Source (PN); (ii) the use of the existing buildings or structures as, or if applicable, the change of use of the existing buildings or structures to, a data centre; and (iii) if applicable, the construction of buildings or structures, in respect of the Four Titles with Rental Condition and any other applicable titles comprised in the Property which requires such consent;

- (b) consent from the Penang Development Corporation having been obtained by Southern Steel for (i) its grant of a tenancy to Deep Source (PN); (ii) the use of the existing buildings or structures as, or if applicable, the change of use of the existing buildings or structures to, a data centre; and (iii) if applicable, the construction of buildings or structures, in each case, in respect of all those titles comprised in the Property which were previously sold or administered by Penang Development Corporation;
- (c) all other corporate and regulatory approvals for the Tenancy having been obtained.

Southern Steel shall give vacant possession of the Property to Deep Source (PN) on the date which shall be no later than 14 days after the Unconditional Date.

Consideration

The monthly rental for the Property under the Lease Agreement shall be RM917,250 (approximately HKD1,761,120) and is expected to be financed by internal resources of the Group. The monthly rental is comparable to the market rental charge for adjacent lands and buildings in the local property market. A security deposit equivalent to three months' rental will be paid to Southern Steel on the date of payment of the first rent. The rental shall be payable monthly in advance and shall be due on the 1st day of every month for the duration of the term of the Lease Agreement. The unaudited value of the right-of-use assets to be recognised under the Lease Agreement shall be approximately HK\$59,006,000.

REASONS AND BENEFIT OF THE LEASE AGREEMENT

The Group is principally engaged in (i) distribution, trading and processing of bulk commodities and related products in Hong Kong, Singapore and the PRC; (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore; and (iii) development and operation of artificial intelligence data centre infrastructure.

As announced by the Company on 7 September 2026, the Company received approval from Malaysia's Ministry of Investment, Trade and Industry for the Group's AIDC Project. The Company indicated that accelerated progress will be made to begin construction for the AIDC Project.

As such, the entering into of the Lease Agreement and the construction thereon of facilities for the AIDC Project is in line with the Company's continued drive to strategic transformation in the artificial intelligence infrastructure operations providing new growth momentum for the Group's future development.

The Board (including the independent non-executive Directors) are of the view that the transaction contemplated under the Lease Agreement is conducted in the ordinary and usual course of the business of the Group and the terms of the Lease Agreement are fair and reasonable and on normal commercial terms or better. The Board thus considers that the transaction contemplated under the Lease Agreement is in the interests of the Company and the Shareholders as a whole.

None of the Directors had any material interest in the Lease Agreement, and accordingly no Director was required to abstain from voting on the resolutions in relation to the Lease Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Southern Steel is a company controlled by and an associate of Mr. You Zhenhua, our indirect controlling Shareholder.

Therefore, Southern Steel is a connected person of the Company. As the highest applicable percentage ratio in respect of the transaction contemplated under the Lease Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Lease Agreement falls within the thresholds prescribed in Rule 14A.76(2) of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

“AIDC”	the artificial intelligence data centre project of the Company
“Board”	the board of Directors of the Company
“Company”	Deep Source Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 990)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deep Source (PN)”	Deep Source (PN) Sdn Bhd, a company incorporated in Malaysia with limited liability and an indirect wholly owned subsidiary of the Company

“Director(s)”	the director(s) of the Company
“Four Titles With Rental Condition”	collectively, (i) PN 7882, Lot 6350; (ii) HSD 60078, PT 4563; (iii) HSD 60077, PT 4562; and (iv) HSD 60079, PT 4564, all containing a restriction against rental or tenancy without the prior written consent of the Penang State Authority
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lease Agreement”	the lease agreement dated 1 October 2026 entered into between Deep Source (PN) (as lessee) and Southern Steel (as lessor) relating to the leasing of the Property
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration of the People’s Republic of China and Taiwan
“Property”	the leased property under the Lease Agreement as detailed in this announcement
“RM”	Ringgit, the lawful currency of Malaysia
“Shareholders”	shareholders of the Company
“Southern Steel”	Southern Steel Berhad, a company controlled by and an associate of Mr. You Zhenhua, our indirect controlling Shareholder

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unconditional Date”	the date on which the last of the conditions precedent have been fulfilled
“%”	per cent.

By order of the Board
Deep Source Holdings Limited
Wu Lei
Executive Director

Hong Kong, 2 October 2026

As at the date of this announcement, the executive Directors are Mr. Jiang Jiang, Mr. Wu Lei and Mr. Xu Hang; the non-executive Directors are Mr. Kang Jian, Mr. Lin Pusheng, Mr. Zhu Haifei and Mr. Ding Lin; and the independent non-executive Directors are Prof. Wu Wei, Mr. Wong Hok Bun Mario, Ms. Chan Lai Ping and Mr. Liu Song.

** For identification purposes only*

For illustrative purposes, the exchange rate of RM1=HK\$1.92 is adopted in this announcement.