

EXTENSION OF TIMEFRAME FOR THE UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

1. INTRODUCTION

Reference is made to the proceeds raised from the public issue disclosed in the Company’s Prospectus dated 13 December 2022 issued in conjunction with the Company’s Initial Public Offering (“IPO”) on the ACE Market of Bursa Malaysia Securities Berhad on 6 January 2023 (“**Listing**”) and Proposed Variation and Extension of Timeframe of the unutilised IPO Proceeds approved by shareholders of the Company at the Extraordinary General Meeting of the Company held on 14 March 2024. The Company raised total gross proceeds of RM50.15 million from the IPO.

The Board of Directors of DS Sigma (“**Board**”) wishes to announce that it has deliberated and resolved to extend the timeframe for the utilisation of unutilised proceeds allocated for the expansion of operational facilities and the purchase of new machinery and equipment by an additional twenty-four (24) months, and for the construction of the Serendah Factory by an additional twelve (12) months, from the current approved timeframe, from the date of Listing (“**Extension of Time**”).

2. DETAILS OF THE EXTENSION OF TIME

As at 31 May 2025, being the latest practicable date prior to this announcement, the Company has yet to fully utilised the proceeds allocated for the expansion of operational facilities, purchase of new machinery and equipment, and construction of Serendah Factory. Details of the Extension of Time are set out in the table below:

Details of the utilisation of proceeds	Proposed utilisation ^(a)	Amount utilised	Re-allocation ^(a)	Amount yet to be utilised	Approved Estimated Timeframe for utilisation upon Listing ^(a)	Revised Estimated Timeframe for utilisation upon Listing
	RM'000	RM'000	RM'000	RM'000		
1 Expansion of operational facilities	17,200	-	(16,000)	1,200	Within 30 months ^(b)	Within 54 months
2 Purchase of new machinery and equipment	16,000	(3,955)	-	12,045	Within 30 months ^(b)	Within 54 months
3 Establish packing design and innovation centre	1,140	(1,140)	-	-	Within 24 months	No change
4 Repayment of bank borrowings	6,000	(6,000)	-	-	Within 12 months	No change
5 Working capital	5,409	(5,409)	-	-	Within 12 months	No change
6 Estimated listing expenses	4,400	(4,400)	-	-	Within 3 months	No change
7 Acquisition of vacant industrial land	-	(10,000)	10,000	-	Within 48 months ^(b)	No change
8 Construction of Serendah Factory	-	-	6,000	6,000	Within 48 months ^(b)	Within 60 months
Total	50,149	(30,904)	-	19,245		

Note:

(a) The approved utilisation of proceeds and approved timeframe for utilisation should be read in conjunction with the Prospectus of the Company dated 13 December 2022 and the Circular to Shareholders dated 26 February 2024.

(b) On 14 March 2024, the shareholders of the Company approved the revised timeframe for the utilisation of IPO proceeds.

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3. RATIONALE FOR THE EXTENSION OF TIME

The packaging industry has continued to face challenges due to fluctuations in demand from various industries. These fluctuations have resulted in unstable sales for the Company, leading to changes in operational plans and capital expenditure priorities compared to initial expectations. The timing of the Company’s expansion of operational facilities, investments in new machinery and equipment, and the construction of the Serendah Factory has been affected, as customers adjust their production schedules in response to market conditions.

After deliberation, and in view of the unstable sales and fluctuations in demand, the Board has decided to extend the timeframe for the utilisation of proceeds allocated for the expansion of operational facilities and the purchase of new machinery and equipment by an additional twenty-four (24) months from the current approved timeframe, and to extend the construction period for the Serendah Factory by an additional twelve (12) months from the current approved timeframe.

4. APPROVAL REQUIRED

The Extension of Time is not subject to any regulatory authorities' or shareholders' approval. Nevertheless, the Board shall continue to be vigilant and prudent in managing the proceeds from the IPO and will continue to disclose the status of the utilisation of the said proceeds in its quarterly reports and annual report until full utilisation.

The Board is of the opinion that the aforementioned Extension of Time will not have any adverse effect on the financial performance of the Company and is in the best interest of the Company.

This announcement is dated 25 June 2025.