

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 JUNE 2023⁽¹⁾

	Note	<--- Individual Quarter --->		<--- Cumulative Quarter -->	
		Current year quarter 30.06.2023 RM'000	Preceding year quarter 30.06.2022 ⁽²⁾ RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022 ⁽²⁾ RM'000
Revenue	A9	18,986	N/A	82,342	N/A
Cost of sales		(12,107)	N/A	(55,692)	N/A
Gross profit		6,879	N/A	26,650	N/A
Finance income		577	N/A	1,023	N/A
Other income	B5	68	N/A	101	N/A
Selling and distribution expenses		(192)	N/A	(619)	N/A
Administrative expenses ⁽³⁾		(2,891)	N/A	(15,142)	N/A
Finance costs		(44)	N/A	(348)	N/A
Profit before taxation ("PBT")	B15	4,397	N/A	11,665	N/A
Tax expenses	B6	(591)	N/A	(3,501)	N/A
Profit for the financial period / year		3,806	N/A	8,164	N/A
Other comprehensive income, net of tax		-	N/A	-	N/A
Total comprehensive income for the financial period / year		3,806	N/A	8,164	N/A
Profit attributable to:					
Owners of the Company		3,806	N/A	8,164	N/A
Non-controlling interests		-	N/A	-	N/A
		3,806	N/A	8,164	N/A
Total comprehensive income attributable to:					
Owners of the Company		3,806	N/A	8,164	N/A
Non-controlling interests		-	N/A	-	N/A
		3,806	N/A	8,164	N/A
Earnings per ordinary share attributable to owners of the Company:					
- Basic earnings per share (sen) ⁽⁴⁾	B14	1.03	N/A	2.20	N/A
- Diluted earnings per share (sen) ⁽⁵⁾	B14	1.03	N/A	2.20	N/A

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

Notes:

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 15 November 2022 ("**Accountants' Report**") as disclosed in the prospectus of DS Sigma Holdings Berhad ("**DS Sigma**" or "**Company**") dated 13 December 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Administration expenses for the cumulative year-to-date include one-off non-recurring listing expenses of RM3.03 million. For illustration purposes only, the Company's normalised financial performance after adjusting for the one-off non-recurring listing expenses is as follow:

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023	Preceding year quarter 30.06.2022 ⁽²⁾	Current year-to-date 30.06.2023	Preceding year-to-date 30.06.2022 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
PBT	4,397	N/A	11,665	N/A
Add: Listing expenses	-	N/A	3,032	N/A
Adjusted PBT	4,397	N/A	14,697	N/A

- (4) Basic earnings per share ("**EPS**") is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares of 370,435,510 ordinary shares in DS Sigma ("**Share(s)**") in issue as at 30 June 2023.
- (5) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any dilutive instruments as at the end of the financial period.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽¹⁾

	(Unaudited) As at 30.06.2023 RM'000	(Audited) As at 30.06.2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	29,173	25,557
TOTAL NON-CURRENT ASSETS	29,173	25,557
CURRENT ASSETS		
Inventories	1,737	2,084
Trade receivables	11,762	18,759
Other receivables	1,442	2,073
Fixed deposits with a licensed bank	5,000	12,000
Short term investment	9,122	-
Cash and bank balances	66,326	19,021
Tax recoverable	196	-
TOTAL CURRENT ASSETS	95,585	53,937
TOTAL ASSETS	124,758	79,494
EQUITY AND LIABILITIES		
EQUITY		
Share capital	77,550	2,700
Merger deficit	(26,462)	-
Retained earnings	55,754	44,776
	106,842	47,476
Non-controlling interests	-	2,814
TOTAL EQUITY	106,842	50,290
NON-CURRENT LIABILITIES		
Lease liabilities	2,476	3,347
Borrowings	4,533	8,172
Deferred tax liabilities	1,787	1,327
TOTAL NON-CURRENT LIABILITIES	8,796	12,846
CURRENT LIABILITIES		
Trade payables	5,276	8,544
Other payables	1,758	3,825
Lease liabilities	1,112	1,184
Borrowings	285	685
Tax payable	689	2,120
TOTAL CURRENT LIABILITIES	9,120	16,358
TOTAL LIABILITIES	17,916	29,204
TOTAL EQUITY AND LIABILITIES	124,758	79,494
Net assets per share (RM) ⁽²⁾	0.22	0.10

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the net assets divided by the number of ordinary shares of 480,000,000 Shares in issue.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2023 ⁽¹⁾⁽²⁾

	<-----Attributable to owners of the parent ----->			Total attributable to owners of the parent RM'000	Non- controlling interest RM'000	Total Equity RM'000
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000			
As at 1 July 2022	2,700	-	44,776	47,476	2,814	50,290
Total comprehensive income for the financial period	-	-	8,164	8,164	-	8,164
Transaction with owners:						
Issuance of ordinary shares pursuant to the acquisition of the subsidiaries	29,162	-	-	29,162	-	29,162
Issuance of ordinary shares pursuant to the initial public offering	50,149	-	-	50,149	-	50,149
Share issuance expenses	(1,761)	-	-	(1,761)	-	(1,761)
Acquisition of subsidiaries	(2,700)	(26,462)	2,814	(26,348)	(2,814)	(29,162)
As at 30 June 2023	77,550	(26,462)	55,754	106,842	-	106,842

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023⁽¹⁾

	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022⁽²⁾ RM'000
Cash Flows From Operating Activities		
Profit before taxation	11,665	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	2,950	N/A
Gain on disposal of property, plant and equipment	(76)	N/A
Distribution income from short term investment	(14)	
Finance income	(1,009)	N/A
Finance cost	348	N/A
Operating profit before working capital changes	13,864	N/A
Changes in working capital:-		
Inventories	347	N/A
Receivables	7,628	N/A
Payables	(5,335)	N/A
Cash generated from operations	16,504	N/A
Interest received	1,009	N/A
Interest paid	(348)	N/A
Tax paid	(4,799)	N/A
Tax refunded	131	
Net cash generated from operating activities	12,497	N/A
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(6,098)	N/A
Proceeds from disposal of property, plant and equipment	96	N/A
Distribution received from short term investment	14	N/A
Net cash used in investing activities	(5,988)	N/A
Cash Flows From Financing Activities		
Proceeds from issuance of shares	50,149	N/A
Payment for issuance of shares expenses	(1,761)	N/A
Repayment of bank borrowings	(4,039)	N/A
Repayment of lease liabilities	(1,431)	N/A
Net cash generated from financing activities	42,918	N/A
Cash and cash equivalents		
Net changes	49,427	N/A
At the beginning of the period	26,021	N/A
At the end of the period	75,448	N/A

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Cash and cash equivalent at the end of the financial year comprised:

Cash on hand and at bank	66,326	N/A
Short term deposit with licensed bank	5,000	N/A
Short term investment	9,122	N/A
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	80,448	N/A
Less: Fixed deposit more than 3 months	(5,000)	N/A
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	75,448	N/A

Notes:

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements of DS Sigma and its subsidiaries ("**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards ("**MASB**") and Rules 9.22 of the Listing Requirements.

This is the Company's fourth interim financial statements on the unaudited condensed consolidated financial results for the fourth quarter ended 30 June 2023 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding period.

The interim financial statements should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Adoption of new and amended standards

During the financial period, the Group has adopted the following amendments for MFRSs issued by MASB that are mandatory for current financial period.

- *MFRS 17 and amendments to MFRS 17 – Insurance contracts
- *Amendments to MFRS 17 – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101 – Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- *Amendments to MFRS 112 – Income Taxes – International Tax Reform: Pillar Two model Rules

Adoption of the above standards and interpretations did not have any material impact to the financial statements of the Group.

** Not applicable to the Group's operations*

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A2. Significant Accounting Policies (cont'd)

Standards issued but not yet effective

At the date of authorisation for issue of this interim financial report, the new and revised standards and amendments, which were in issue but not yet effective and have not been early adopted by the Group are as follow:-

Standards	Effective dates for financial period beginning on and after
*Amendments to MFRS 16	1 January 2024
Amendments to MFRS 101	1 January 2024
MFRS 10 and 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Directors anticipate that the abovementioned standards and amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the period of initial application.

** Not applicable to the Group's operations*

A3. Auditors' report of preceding annual audited financial statements

DS Sigma was incorporated under the Companies Act, 2016 on 20 September 2021. The Company completed the acquisition of its subsidiaries, Dai Suwon Packaging Sdn Bhd ("**DS Packaging**"), Dai Suwon Manufacturing Sdn Bhd ("**DS Manufacturing**") and Kaisung Industries Sdn Bhd ("**Kaisung**") on 29 August 2022.

In view of the above, there was no auditors' report on the Group for preceding annual financial statements. However, the audited financial statements of DS Packaging and Kaisung for the financial year ended 30 June 2022 and of DS Manufacturing for the 18-month financial period ended 30 June 2022 were not subject to any qualification. The preceding audited combined financial statements of the Group are prepared based on combination or aggregation of all of the audited financial statements of respective companies of the Group.

A4. Seasonal or cyclical factors

The Group's operations are not significantly affected by seasonal or cyclical effects, albeit experiencing higher sales between July and October as our customers increase orders in conjunction with year-end and festive season sales. Generally, the Group's sales at the end of the year in the month of November and December would decrease.

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A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no extraordinary and exceptional items of unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. Changes in estimates

There were no material changes in the estimates that have a material effect to the Group during the current quarter under review and year-to-date.

A7. Debt and equity securities

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividends Paid

The Company did not pay any dividend for the financial period ended 30 June 2023.

A9. Segmental information

The segmental information based on the business segments and geographical location are as follows:-

(a) Analysis of revenue by business segments

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter 30.06.2022 ⁽¹⁾ RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022 ⁽¹⁾ RM'000
Manufacture of corrugated paper packaging products	14,843	N/A	66,018	N/A
Supply of protective packaging products	4,143	N/A	16,324	N/A
Total	18,986	N/A	82,342	N/A

(b) Analysis of revenue by geographical location

The Group's business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

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Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

A10. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There were no significant events subsequent to the end of the current quarter under review.

A12. Changes in the composition of the Group

There were no material changes to the composition of the Group during the current financial quarter under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets in the Group since the end of the last reporting period as at 30 June 2023.

A14. Capital commitments

As at 30.06.2023
RM'000

Approved but not contracted for

- Expansion of operational facilities	35,400
- Purchase of new machinery and equipment	16,000
	<hr/>
	51,400

Approved and contracted for

- Set up of packaging design and innovation centre	<hr/>
	110

Save as disclosed above, there were no other material capital commitments of the Group as at 30 June 2023.

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A15. Related party transactions

Save as disclosed below, there were no other significant related party transactions during the current quarter and year-to-date under review:

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter 30.06.2022 ⁽¹⁾ RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022 ⁽¹⁾ RM'000
Related companies				
Rental of premises	18	N/A	72	N/A
Provision of transport services	47	N/A	193	N/A
Purchase of goods	-	N/A	32	N/A
Related parties				
Rental of premises	123	N/A	492	N/A

Note:

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance – Comparison with previous year’s corresponding quarter and financial year-to-date

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter 30.06.2022 ⁽¹⁾ RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022 ⁽¹⁾ RM'000
Revenue	18,986	N/A	82,342	N/A
Gross profit	6,879	N/A	26,650	N/A
Profit before tax	4,397	N/A	11,665	N/A
Profit after tax	3,806	N/A	8,164	N/A

Note:

N/A – Not applicable

(1) This is the fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded revenue of RM18.99 million and RM82.34 million for the current financial quarter and year-to-date ended 30 June 2023 respectively.

The Group’s revenue was principally derived from the manufacturing segment accounting for approximately 78.18% and 80.18% of the total revenue for the current financial quarter and year-to-date ended 30 June 2023 respectively. The Group’s revenue was mainly driven by the sales of corrugated cartons and paper pallets in the electrical and electronic product sector.

The Group recorded a profit before tax of RM4.40 million and RM11.67 million, for the current financial quarter and year-to-date ended 30 June 2023 respectively. The administrative expenses for current financial quarter and financial year-to-date were RM2.89 million and RM15.14 million respectively, which mainly consist of staff costs, depreciation, maintenance fees for building and office equipment, insurance, professional fees, transportation and utilities.

The profit before tax for the year-to-date ended 30 June 2023 also includes a one-off non-recurring listing expenses amounting to RM3.03 million. For illustration, the profit before tax for year-to-date ended 30 June 2023 after adjusted for the one-off non-recurring listing expenses is RM14.70 million.

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B2. Comparison with immediate preceding quarter's results

	<-- Individual Quarter -->		<----- Changes ----->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter 31.03.2023 RM'000	RM'000	%
Revenue	18,986	19,022	(36)	(0.19)
Profit before tax	4,397	(1,411)	5,808	411.62

The Group's revenue for the current financial quarter has decreased by RM36,000 or 0.19% to RM18.99 million as compared to immediate preceding quarter.

The Group recorded a profit before tax of RM4.40 million in the current financial quarter, representing an increase of RM5.80 million or 411.62% as compared to loss before tax of RM1.41 million in the immediate preceding financial quarter ended 31 March 2023.

The loss before tax for the preceding financial quarter ended 31 March 2023 is mainly due to a one-off non-recurring listing expenses amounting to RM3.03 million. For illustration, the profit before tax for the preceding financial quarter ended 31 March 2023 after adjusted for the one-off non-recurring listing expenses is RM1.62 million.

B3. Prospects of the Group

As disclosed in the Prospectus, the Group plans to expand its operational facilities through expanding its operation to Penang and establishing a new factory in Klang, Selangor. The new factory in Klang Selangor will also serve as a corporate head office and to increase the Group's operational efficiency and productivity. As at this juncture, the Group has commenced its business operations in Penang.

In conjunction with the expansion plan above, the Group plans to acquire new machinery in order to automate parts of its production lines as well as introducing new products such as honeycomb board. The Group intends to acquire 2 units of honeycomb board machines to produce honeycomb core and honeycomb board where to expand the product offering of the Group. The Group also plans to acquire 6-colour flexographic printing machine to print more vibrant colour of images on corrugated cartons as compared to existing 3-colour flexographic printing machine.

Furthermore, the Group has set up a packaging design and innovative centre to facilitate the Group's front-end value-added services such as packaging design and space optimisation. Moving forward, the Group plans to expand its target markets to serve customers in the solar photovoltaic industry and medical devices industry as currently the Group mainly serves customers in the consumer durable electronic goods of the E&E industry.

According to the Malaysian Semiconductor Industry Association ("**MSIA**"), the outlook for 2023 remains soft, with 50 per cent of the surveyed E&E companies expecting a decline in orders, while 25 per cent of them are still expecting an increase in orders as some product categories would see continued growth, while other categories would see a decline. Nevertheless, the Group continues to focus on growing its customer base by catering to its existing customers as well as expanding into new industries.

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Based on the above, the Board of Directors (“**Board**”) is optimistic of the Group’s future prospects and expects the Group’s expansion plans to contribute positively to its financial performance in the future.

B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. Other income

	<---- Individual Quarter ---->		<--- Cumulative Quarter --->	
	Current year quarter 30.06.2023 RM’000	Preceding year quarter 30.06.2022 ⁽¹⁾ RM’000	Current year-to-date 30.06.2023 RM’000	Preceding year-to-date 30.06.2022 ⁽¹⁾ RM’000
Waste paper	9	N/A	25	N/A
Gain on disposal of property, plant and equipment	59	N/A	76	N/A
Total	68	N/A	101	N/A

Note:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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B6. Tax expense

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter 30.06.2022 ⁽¹⁾ RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date 30.06.2022 ⁽¹⁾ RM'000
Current tax expense	593	N/A	3,041	N/A
Deferred tax expense	(2)	N/A	460	N/A
Effective tax rate (%)	13.44 ⁽²⁾	N/A	30.01 ⁽³⁾	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate is lower than the statutory income tax rate due to there being overprovision of tax expense in prior year.
- (3) The Group's effective tax rate is higher than the statutory income tax rate due to one-off listing expenses which is non-tax deductible.

B7. Status of corporate proposals

There are no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

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B8. Utilisation of proceeds

The gross proceeds raised from the IPO amounting to RM50.15 million is intended to be utilised in the following manner:-

Purpose	Proposed utilisation	Actual utilised	Unutilised amount	Estimated Timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	
i) Expansion of our operational facilities	17,200	-	17,200	Within 24 months
ii) Purchase of new machinery and equipment	16,000	-	16,000	Within 24 months
iii) Establish packaging design and innovation centre	1,140	1,077	63	Within 24 months
iv) Repayment of bank borrowings	6,000	3,379	2,621	Within 12 months
v) Working capital	5,409	5,197	212	Within 12 months
vi) Estimated listing expenses	4,400	4,400	-	Within 3 months
	<u>50,149</u>	<u>14,053</u>	<u>36,096</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2022.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

B9. Lease liabilities and borrowings

The Group's lease liabilities and borrowings were as follows:-

	(Unaudited) As at 30.06.2023 RM'000	(Audited) As at 30.06.2022 RM'000
Current liabilities		
<u>Secured and guaranteed</u>		
Term loans	285	685
Lease liabilities	609	700
<u>Secured but not guaranteed</u>		
Lease liabilities	503	484
	1,397	1,869
Non-current liabilities		
<u>Secured and guaranteed</u>		
Term loans	4,533	8,172
Lease liabilities	871	1,238
<u>Secured but not guaranteed</u>		
Lease liabilities	1,605	2,109
	7,009	11,519
Total lease liabilities & borrowings	8,406	13,388

All the Group's borrowings are denominated in RM and interest-bearing.

B10. Derivative financial instruments

As at the 30 June 2023, the Group does not have any derivative financial instruments.

B11. Fair value of financial liabilities

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter under review and year-to-date as the Group did not have any financial liabilities measured at fair value.

B12. Material litigation

As at the date of this report, the Group is not involved in any litigations or arbitrations either as a defendant or plaintiff and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

B13. Dividends Proposed

On 29 August 2023, the Board declared an interim single tier dividend of 0.75 sen per ordinary share totalling RM3.60 million in respect of financial year ended 30 June 2023. The interim single tier dividend will be paid on 30 October 2023 to the shareholders whose name appear in the Record of Depositors on 20 October 2023.

The total dividends declared for the 12-months financial year ended 30 June 2023 is 0.75 sen per ordinary share.

B14. Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:-

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.06.2023	Preceding year quarter ⁽¹⁾ 30.06.2022	Current year-to-date 30.06.2023	Preceding year-to-date ⁽¹⁾ 30.06.2022
Profit attributable to owners of the Company (RM'000)	3,806	N/A	8,164	N/A
Weighted average number of ordinary shares in issue ('000)	370,436	N/A	370,436	N/A
Basic earnings per share (sen) ⁽²⁾	1.03	N/A	2.20	N/A
Diluted earnings per share (sen) ⁽³⁾	1.03	N/A	2.20	N/A

Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the profits attributable to owners of the Company divided by the weighted average number of ordinary shares of 370,435,510 Shares in issue as at 30 June 2023.
- (3) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any no dilutive instruments as at the end of the financial period.

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B15. Notes to the statement of profit or loss and other comprehensive income

Profit for the period was derived after taking into consideration of the following:-

	<-- Individual Quarter -->		<-- Cumulative Quarter-->	
	Current year quarter 30.06.2023 RM'000	Preceding year quarter ⁽¹⁾ 30.06.2022 RM'000	Current year-to-date 30.06.2023 RM'000	Preceding year-to-date ⁽¹⁾ 30.06.2022 RM'000
After (crediting)/ charging:				
Interest income	(577)	N/A	(1,023)	N/A
Other income	(68)	N/A	(101)	N/A
Finance costs	44	N/A	348	N/A
Depreciation of property, plant and equipment	844	N/A	2,950	N/A

Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 30 June 2023 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

Save as disclosed above, the other disclosure items as required under Note 16 of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
DS SIGMA HOLDINGS BERHAD
29 AUGUST 2023