





DS SIGMA
HOLDINGS
BERHAD

2023

IPO Listing Ceremony



IPO Listing Ceremony

Welcome
DS SIGMA HOLDINGS
BERHAD

To the ACE Market

Stock Code : 0269 / DSS

6 January 2023



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CORPORATE INFORMATION

(AS AT 29 SEPTEMBER 2023)

BOARD OF DIRECTORS



Independent Non-Executive Chairman

MOHAMAD ISMAIL BIN ABU BAKAR

Managing Director

LUCILLE TEH SOO LIEN

Executive Directors

**BEH SENG LEE
BEH LE HAO**

Independent Non-Executive Directors

**LEE YEW WENG
LOO HEE GUAN
MAZNIDA BINTI MOKHTAR**

AUDIT AND RISK MANAGEMENT COMMITTEE

Lee Yew Weng – Chairman
Loo Hee Guan
Maznida Binti Mokhtar

NOMINATION COMMITTEE

Maznida Binti Mokhtar – Chairperson
Lee Yew Weng
Loo Hee Guan

REMUNERATION COMMITTEE

Loo Hee Guan – Chairman
Lee Yew Weng
Maznida Binti Mokhtar

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC NO. 201908002648)
Cheng Chia Ping
(MAICSA 1032514)
(SSM PC NO. 202008000730)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur, Wilayah
Persekutuan
Telephone : 03-2084 9000
Facsimile : 03-2094 9940
Email : info@sshsb.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan
Kerinci, 59200 Kuala Lumpur,
Wilayah Persekutuan
Telephone : 03-2783 9299
Facsimile : 03-2783 9222

AUDITORS

Grant Thornton Malaysia PLT
Chartered Accountants (AF0737)
(Member firm of Grant Thornton
International Ltd)
Level 11, Sheraton Imperial
Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Telephone : 03-2692 4022
Facsimile : 03-2691 5229

PRINCIPAL BANKERS

Public Bank Berhad
Standard Chartered Bank Berhad
Hong Leong Bank Berhad
Malayan Islamic Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Code : 0269
Stock Name : DSS
Sector : Industrial Products and
Services

HEAD OFFICE

No. 36, Jalan BP 5/6,
Bandar Bukit Puchong,
47100 Puchong,
Selangor Darul Ehsan
Telephone : 03-8060 1678
Facsimile : 03-8060 1676

SPONSOR

Public Investment Bank Berhad
Level 27, Menara Public Bank 2,
No. 78, Jalan Raja Chulan,
50200 Kuala Lumpur
Wilayah Persekutuan
Telephone : 03-2036 2800
Facsimile : 03-2036 2860



GROUP CORPORATE STRUCTURE



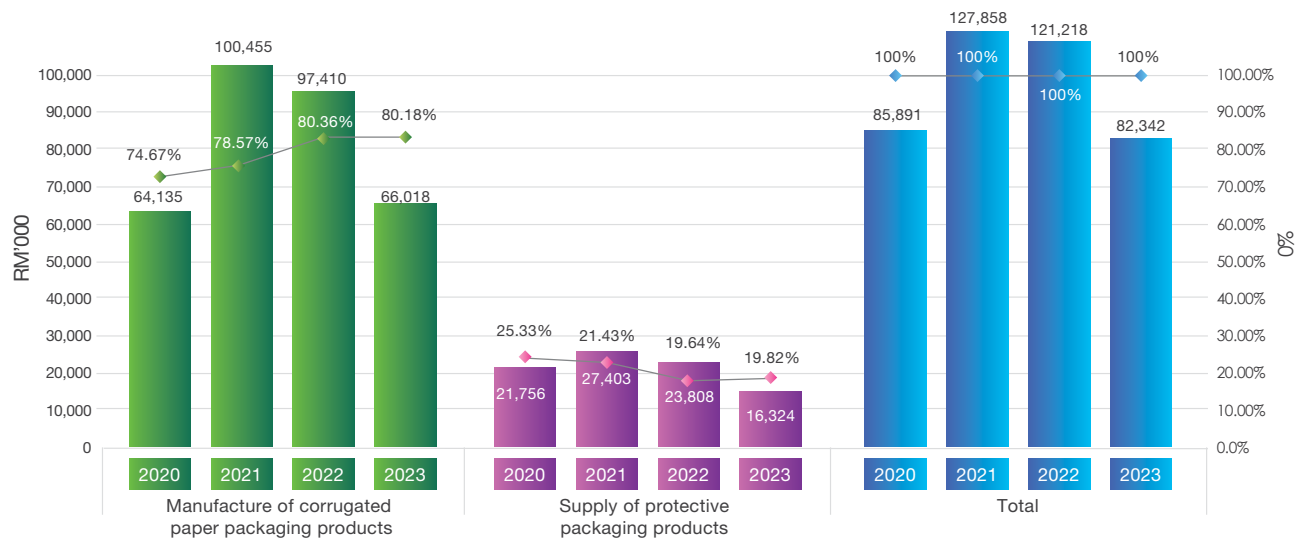
DS SIGMA HOLDINGS BERHAD

(Registration No. 202101030362 (1430662-K))

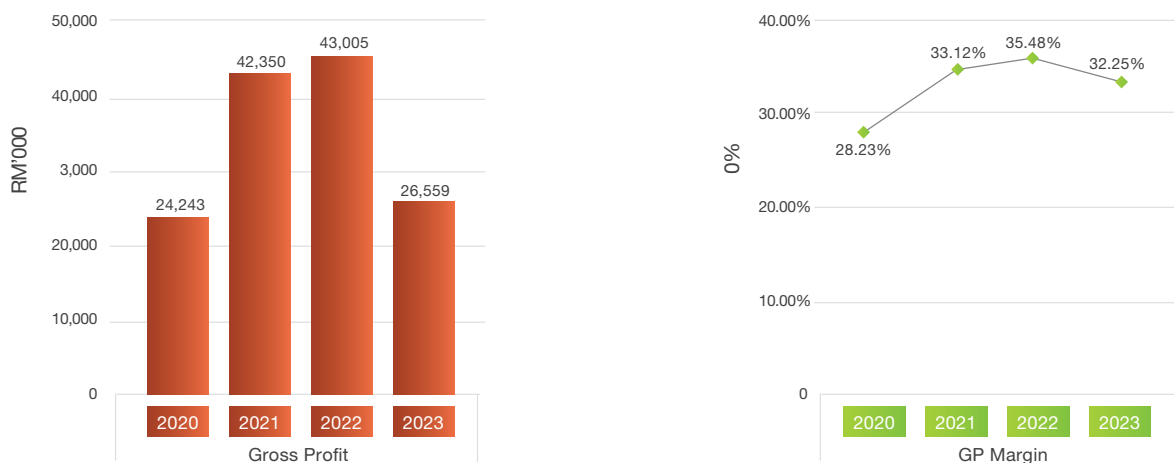


FINANCIAL HIGHLIGHTS

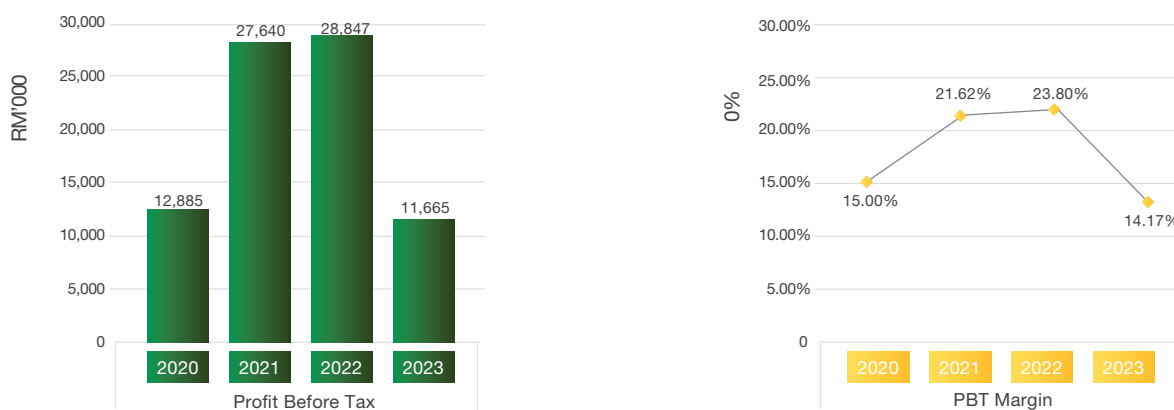
REVENUE BY BUSINESS SEGMENTS



GROSS PROFIT & GP MARGIN



PROFIT BEFORE TAX & PBT MARGIN



DIRECTORS' PROFILES

MOHAMAD ISMAIL BIN ABU BAKAR

Independent Non-Executive Chairman



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Date of appointment as Director:

16 February 2022

Board Committee(s) served on:

Nil

Academic/ Professional Qualification(s):

Bachelor of Science in Agribusiness, Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia)

Present Directorship(s)

- | | | | |
|------|-------------------------------|---|-----|
| (i) | Other Public Listed Companies | : | Nil |
| (ii) | Public Companies | : | Nil |

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Encik Mohamad Ismail began his career with Integrated Agriculture Development Project (Perlis) ("IADP") in 1983, under the Ministry of Agriculture as an Assistant Agriculture Officer where he was responsible for implementing agriculture-based projects identified by Asian Development Bank.

In 1996, he left IADP and joined Malaysian Investment Development Authority ("MIDA") as an Assistant

Director in the Transport Industry Division. In 2001, he joined MIDA's Chicago Office as their Deputy Director and subsequently in 2006, he was posted back to MIDA's headquarter serving in the Foreign Investment Division as a Deputy Director where he was responsible for attracting and securing foreign investment into Malaysia in the manufacturing and services sector. In 2008, he was posted to MIDA's Dubai Office and served as a Director for 3 years. Once he completed his tenure in Dubai, he was transferred back to the headquarter of MIDA in Kuala Lumpur and assumed the position of Senior Deputy Director in the Foreign Investment Coordination Division to facilitate the foreign investment process in Malaysia.

In August 2014, he was promoted as a Director in the Industry Talent Management Division of MIDA. Subsequently in 2019, he was promoted as the Executive Director of Manufacturing Development (Resource) Division where he was responsible for overseeing 3 key industry divisions, namely Chemical and Advanced Material Division, Life Sciences & Medical Technology Division and Food Technology & Resource Based Industries Division. He retired from MIDA in 2021 and he brings with him more than 26 years of working experience and knowledge with MIDA in various roles and functions.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles

(Cont'd)

LUCILLE TEOH SOO LIEN

Managing Director



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Date of appointment as Director:

20 September 2021

Board Committee(s) served on:

Nil

Academic/ Professional Qualification(s):

Sijil Tinggi Persekolahan Malaysia, St. Xavier's Institution

Present Directorship(s)

- | | | | |
|------|-------------------------------|---|-----|
| (i) | Other Public Listed Companies | : | Nil |
| (ii) | Public Companies | : | Nil |

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Upon completion of studies, Ms. Lucille began her career as a Sales Executive at Data Media Supplies Sdn. Bhd. and subsequently worked in the packaging industry as a Sales Executive, with Public Packages Holdings Berhad and Scientex Containers Sdn. Bhd. in 1992 and 1994, respectively. She was responsible for securing business leads and maintaining business relationship with clients by providing support, information and guidance. She left Scientex Containers Sdn. Bhd. in 1997 and joined Corrugated Offset

Packaging (M) Sdn. Bhd. as an Assistant Sales Manager for nine (9) months before joining Scientex Resources Sdn. Bhd., a supplier of packaging related materials as a Product Manager. During her tenure at Scientex Resources Sdn. Bhd., she was involved in the company's product planning and product marketing by conducting market research to analyse the customers' need and expectation.

Upon leaving Scientex Resources Sdn. Bhd. in 2002, she co-founded Kaisung Industries Sdn. Bhd. in the same year and Dai Suwon Packaging Sdn. Bhd. in 2003 with Beh Seng Lee. Subsequently in 2004, she co-founded Dai Suwon Manufacturing Sdn. Bhd. with Beh Seng Lee, Loi Guak Lian and Yong Chong Long and served as director in all three (3) companies. She is responsible for overseeing our Group's paper-based products segment as well as strategising our future business directions and expansion plan. She also drives the implementation of sales and marketing strategies as well as develop business relationship with our customers. Under her sales and marketing effort, the Group has successfully secured customers such as Sony Group of Companies, Panasonic Group of Companies and Samsung Electronics, which has remained as our customer as at to-date. Currently as our Managing Director, she continues to assume the aforementioned role and responsibilities.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles (Cont'd)

BEH SENG LEE

Executive Director



Date of appointment as Director:

20 September 2021

Board Committee(s) served on:

Nil

Academic/ Professional Qualification(s):

Bachelor of Science in Agribusiness, Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia)

Present Directorship(s)

- | | | | |
|------|-------------------------------|---|-----|
| (i) | Other Public Listed Companies | : | Nil |
| (ii) | Public Companies | : | Nil |

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

In 1995, Mr. Beh started his career with Amcor Fibre Packaging (M) Sdn. Bhd. (currently known as AMB Packaging (Malaysia) Sdn. Bhd.), a corrugated fibreboard cartons manufacturer as a Sales Executive and later joined Corrugated Offset Packaging (M) Sdn. Bhd., a packaging company, as a Senior Sales Executive in 1996.

Upon leaving Corrugated Offset Packaging (M) Sdn. Bhd. in 2002, he co-founded Kaisung Industries Sdn. Bhd. in the same year and Dai Suwon Packaging Sdn. Bhd. in 2003 with Lucille Teoh Soo Lien. Subsequently in 2004, he co-founded Dai Suwon Manufacturing Sdn. Bhd. with Lucille Teoh Soo Lien, Loi Guak Lian and Yong Chong Long and served as director in all three (3) companies. He has played an instrumental role in the growth and development of our Group throughout the years. With 29 years of experience in the industry, he was responsible for the financial planning of our Group and on managing the costs and expenses on raw materials required for our manufacturing activities.

He has been actively involved in the strategic business planning of our Group and he is currently overseeing our Group's non-paper based products segment.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles

(Cont'd)

BEH LE HAO

Executive Director



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Date of appointment as Director:

16 February 2022

Board Committee(s) served on:

Nil

Academic/ Professional Qualification(s):

Bachelor of Science in Actuarial Science, London School of Economics and Political Science, United Kingdom

Present Directorship(s)

- | | | | |
|------|-------------------------------|---|-----|
| (i) | Other Public Listed Companies | : | Nil |
| (ii) | Public Companies | : | Nil |

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Whilst pursuing his tertiary education, Mr. Beh did his internship as an investment analyst at Affin Hwang Asset Management Berhad from June 2019 to August 2019 and Alanda Capital Management Limited from June 2020 to August 2020. Subsequently, he continued as a part time employee with Alanda Capital Management Limited from September 2020 to March 2021. He gained experience in finance related matters and equity research during his internship and part time employment in these companies.

Upon graduation, he joined Dai Suwon Packaging Sdn. Bhd. as a Business Development Director in August 2021. He is currently responsible for managing the sales division and the quality control division as well as involve in developing the business development, finance functions and corporate strategies of our Group.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles (Cont'd)

LEE YEW WENG

Independent Non-Executive Director



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Date of appointment as Director:

16 February 2022

Board Committee(s) served on:

Audit and Risk Management Committee (Chairman)
Remuneration Committee (Member)
Nomination Committee (Member)

Academic/ Professional Qualification(s):

- Bachelor of Commerce, University of Adelaide, Australia.
- Chartered Accountant
- Member of Certified Practising Accountant ("CPA") Australia
- Member of the Malaysian Institute of Accountants

Present Directorship(s)

- Other Public Listed Companies :
 - Sunzen Biotech Berhad
 - Hiap Huat Holdings Berhad
- Public Companies : Go Hub Capital Berhad

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Mr. Lee began his career with KK Chow & Partners in March 1999 and then joined Crowe Horwath Malaysia (now known as Crowe Malaysia) in January 2000 as an Audit Assistant, where he was involved in performing statutory audit. Subsequently, he joined KPMG Malaysia as an Audit Assistant in January 2001.

He ventured into the corporate sector when he joined Jotech Holdings Berhad as their Group Accountant in 2002

where he was responsible for the group's accounting and financial matters. From May 2003 to June 2010, he worked with AmInvestment Bank Berhad, firstly in the Corporate Finance and Advisory Department and was promoted as Associate Director where he was involved in various corporate exercises, including corporate restructuring, reverse take-overs, mergers and acquisitions, fund raising and initial public offering. Subsequently in July 2008, he was relocated to the Corporate & Institutional Banking Department of AmInvestment Bank Berhad as an Associate Director.

After a 10 months' sabbatical, he co-founded Stein Future Group Sdn. Bhd. ("Stein Future"), which is principally engaged in the provision of financial consultancy services and served as the Executive Director from May 2011 to August 2017. He also co-founded Yewnited Partners Sdn. Bhd. in January 2017 which provides business management consultancy services, and served as the Executive Director until May 2019.

From June 2019 to February 2020, he joined Canfield Corporate Finance Company Limited ("Canfield"), an approved Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong as a Responsible Officer, where he was involved in marketing and structuring transactions for clients undertaking cross-border corporate exercises. Subsequently in September 2020, he joined Sorrento Capital Limited, an approved Sponsor and Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong as a Licensed Representative, a position he holds to-date, where he has similar responsibilities as his role in Canfield. Mr. Lee has approximately 24 years of experience in accounting and financial services sectors.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles

(Cont'd)

LOO HEE GUAN

Independent Non-Executive Director



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Date of appointment as Director:

16 February 2022

Board Committee(s) served on:

Remuneration Committee (Chairman)
Audit and Risk Management Committee (Member)
Nomination Committee (Member)

Academic/ Professional Qualification(s):

- Bachelor of Economics, Monash University, Australia
- Bachelor of Laws, Monash University, Australia

Present Directorship(s)

- Other Public Listed Companies : Nil
- Public Companies : Ericson Foundation

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

In 1995, Mr. Loo began his career by chambering with Soo Thien Ming & Nashrah, a Malaysian law firm and became a Legal Associate after he was called to the Malaysian Bar. He left in 1996 to join Syarikat Ng & Anuar as a Legal Assistant. Subsequently in 1998, he joined B.C. Teh and Yeoh, a Malaysian law firm as a Branch Partner. Throughout his tenure in these law firms, he was involved in civil litigation, conveyancing, corporate and commercial and banking and finance matters.

In 2000, he joined Ch'ng Khoo Peng Trading Sdn. Bhd. as General Manager to oversee the company's business development activities. He returned to legal practice in 2001 by joining Raslan Loong, Shen & Eow (at the time known as Raslan Loong) as a Senior Legal Assistant where he was involved in mergers and acquisitions, equity capital markets, China practice and banking and finance matters.

He then left Raslan Loong, Shen & Eow to set up his own practice, Enolil Loo Advocates and Solicitors in 2003, a boutique corporate legal firm, and currently continues to serve as the Partner. Mr. Loo has over 25 years of experience in legal practice and his practice areas include corporate commercial, corporate finance, corporate restructuring and recovery, foreign direct investment, take-overs, mergers and acquisitions, private equity, structured finance, infrastructure and concessions, energy, real estate and trust.

No. of Board meetings attended during FYE 2023:

3/3

Directors' Profiles (Cont'd)

MAZNIDA BINTI MOKHTAR

Independent Non-Executive Director



Date of appointment as Director:

16 February 2022

Board Committee(s) served on:

Nomination Committee (Chairperson)
Audit and Risk Management Committee (Member)
Remuneration Committee (Member)

Academic/ Professional Qualification(s):

- Bachelor of Science in Economics (Honours), London School of Economics and Political Science, United Kingdom
- Member of The Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Present Directorship(s)

- Other Public Listed Companies : QES Group Berhad
- Public Companies : Nil

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Puan Maznida began her career with Ernst & Young at their London office in 1990 as an Audit Assistant where she was mainly responsible for audit planning, resolving audit issues and consolidation and review of statutory accounts. Subsequently in 1994, she returned to Malaysia and joined AmMerchant Bank Berhad. She served in the Privatisation and Project Advisory Unit where she was involved in advising companies on infrastructure projects. In 1996, she left AmMerchant Bank Berhad and co-founded the Skali Group of Companies and served as the Chief Financial Officer where she was responsible for the strategic direction and overall finance function of Skali Group. In December 2019, she resigned as the Chief Financial Officer of Skali Group. She has over 30 years of working experience in the accounting and finance sector.

No. of Board meetings attended during FYE 2023:

3/3

Notes:-

Save as disclosed above, none of the Directors has:-

- any family relationship with any Director and/or major shareholder of the Company except for Mr. Beh Seng Lee being the father of Mr. Beh Le Hao;
- any conviction for offences (other than traffic offences) within the past five (5) years; and
- any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

LAI JIAN HONG

Chief Financial Officer



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Date of appointment:

05 July 2021

Academic/ Professional Qualification(s):

- Bachelor of Arts in Accounting and Finance, University of the West of England, United Kingdom
- Member of the Association of Chartered Certified Accountants (“ACCA”)
- Member of the Malaysian Institute of Accountants

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Mr. Lai is responsible for overseeing our Group’s overall accounting and financial matters including financial reporting and planning, taxation, treasury management, corporate affairs and internal audit and control.

While pursuing his tertiary education and professional affiliation with ACCA, he worked with his family company, Orbiting Scientific & Technology Sdn. Bhd., a distributor of advance scientific instruments and laboratory accessories as an Administrative Executive from 2010 to 2015. He was responsible for handling the company’s accounting record, preparation of annual budget and sales forecast, formulating internal control practices, credit control for accounts receivable and other administrative matters.

Thereafter, he joined Grant Thornton Malaysia (“GT”) as an Audit Associate in 2015 and was promoted to Senior Audit Associate in 2016, where he was involved in statutory audit assignments, special audit assignments as well as assisting clients in their preparation of financial related matters for their initial public offering proposals. In April 2018, he was promoted to Audit Supervisor where he was in charge of leading and monitoring a team of audit associates in various audit assignments.

In 2018, he left GT to join Mestron Holdings Berhad (“Mestron”) as Finance and Accounts Manager to assist the company during their initial public offering in 2019. He was promoted to Chief Financial Officer of Mestron in April 2019 where he was responsible for overseeing Mestron’s finance function including monitoring the financial performance and result, financial reporting, treasury management and tax compliance. He left Mestron in June 2021.

He subsequently joined our Group as Chief Financial Officer in July 2021.

Profile of Key Senior Management (Cont'd)

LOI GUAK LIAN

Factory Director



Date of appointment:

01 Jul 2004

Academic/ Professional Qualification(s):

Sijil Pelajaran Malaysia, Sekolah Menengah Rantau

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Mr. Loi oversees the overall factory operations including, amongst others, production schedule and workforce management as well as machinery and equipment maintenance.

In 1982, he began his career with Seremban Fibre Containers Sdn. Bhd. as an Apprentice Production Operator where he was involved in setting up and operating machinery, as well as preparing and allocating raw materials before executing the manufacturing process. In 1997, he left Seremban Fibre Containers Sdn. Bhd. and joined Corrugated Offset Packaging (M) Sdn. Bhd., a Malaysian packaging company as a Production Manager. He was responsible for overseeing, planning and organising production and maintenance schedules.

In 2004, he joined our Group as Factory Director where he is responsible for managing and overseeing the planning and operations of all manufacturing processes and maintenance activities to ensure the specified quality standards and production deadlines are met. With more than 40 years of working experience in the paper packaging industry, he acquired extensive knowledge on paper packaging manufacturing workflow and factory management.

Profile of Key Senior Management (Cont'd)

BEH KOON CHIEW

General Manager



Date of appointment:

18 November 2002

Academic/ Professional Qualification(s):

- Sijil Pelajaran Malaysia, Sekolah Menengah Jenis Kebangsaan Hua Lian, Perak
- Diploma in Mechanical Engineering, Federal Institute of Technology

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Mr. Beh is responsible for the overall sales and marketing activities of our Group.

He began his career with Kaisung Industries Sdn. Bhd. as a Sales Executive in 2002 and was promoted to Assistant Sales Manager in 2011 where he was responsible for generating sales lead, securing sales, managing clients' needs and complaints. Subsequently in 2016, he was promoted to Sales Manager where his responsibilities involved managing teams of sales executive and maintaining clients' relationship as well as managing the Group's quality control measures. He was subsequently promoted as General Manager in August 2023.

Profile of Key Senior Management (Cont'd)

RAMESH A/L MUNIUNDY (MUNIANDY)

Operations Manager



Date of appointment:

11 April 2016

Academic/ Professional Qualification(s):

- Diploma in Mechanical Engineering, Workers Institute of Technology, Malaysia
- Masters in Business Administration accredited by the Irvine University, California, United States of America

Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries:

Nil

Working experience and Occupation:

Mr. Ramesh is responsible for overseeing our Group's overall manufacturing activities.

In 1991, he began his career with Adcomat (Malaysia) Sdn. Bhd., a manufacturing precision injection moulded parts company, where he was involved in production planning, inventory management and machineries maintenance. He left the company in 2003 as a Factory Manager to join MG Biogreen Sdn. Bhd., a manufacturer of fertiliser as Quality Assurance Manager, where he was responsible for the company's internal and external quality assurance matters.

In 2006, he joined Nam Keong Sdn. Bhd., a manufacturer of plastic injection moulded parts as Operations Manager, where he was responsible for overseeing their manufacturing processes and assessing quality control procedures.

He joined our Group in 2016 as Operations Manager and is responsible for our Group's inventory management, procurement of raw materials, logistic function as well as overseeing the manufacturing operations of our Group.

Notes:-

Save as disclosed above, none of the Key Senior Management has:-

- any directorship in public companies and listed issuers;
- any family relationship with any Director and/or major shareholder of the Company, except for Beh Koon Chiew who is the nephew of our Executive Director, Beh Seng Lee and cousin of our Executive Director, Beh Le Hao;
- any conviction for offences (other than traffic offences) within the past five (5) years; and
- any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors of DS Sigma Holdings Berhad (“DS Sigma” or “Company”) (“Board”), it is my privilege to present to you our inaugural Annual Report as a public-listed company as well as the audited financial statements of DS Sigma and its subsidiaries (“Group”) for the financial year ended 30 June 2023 (“FY 2023”). FY 2023 had been a memorable and eventful year for DS Sigma as we became a public-listed entity following our successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 6 January 2023.

Our initial public offering (“IPO”) was met with much enthusiasm from the public with our IPO shares being oversubscribed by 25.77 times and we are thrilled to have received such substantial backing from esteemed fund managers, affluent individuals, and everyday investors for our IPO. The IPO exercise raised a total of approximately RM50.15 million which were mainly allocated for the expansion of our operational facilities with the construction of a new factory as well as increase our manufacturing capabilities through the purchase of new machinery and equipment. The listing of DS Sigma has been marked as a significant achievement along our journey of expansion and has further enhanced our corporate profile and brand recognition. As such, we wish to express our sincere gratitude to all shareholders for their confidence in us and for the immense support they have provided to our IPO.

Chairman's Statement (Cont'd)

Certainly, as a provider of packaging products encompassing both corrugated paper and non-paper protective packaging such as plastic, foam, and rubber, we are confronted with a myriad of challenges, particularly as we advance our sustainability initiatives. In our unwavering commitment to responsible corporate citizenship, we diligently integrate sustainability initiatives into our operations as this approach allows us to offer quality products to our customers while simultaneously contributing positively to the environment and the community. In light of the burgeoning sustainability movement, DS Sigma is resolutely dedicated in incorporating the principles of the 3R's (Reduce, Reuse, and Recycle) throughout our operations and our products. Our sustainability initiatives are further disclosed in the Sustainability Statement section of this Annual Report.

As we cast our gaze towards the future, our expanding enterprise remains steadfast in its dedication to delivering superior products and services to our esteemed customers in Malaysia. Our unswerving allegiance to innovation, excellence, and sustainability within the packaging industry continues to be our guiding principles in all of our ongoing endeavours.

FINANCIAL PERFORMANCE

In FY 2023, the Group recorded a total revenue of RM82.34 million with a total profit before tax of RM11.67 million and a total profit after tax of RM8.16 million. The Group's revenue was principally derived from the manufacturing of corrugated paper packaging products amounting to RM66.02 million or approximately 80.18% of the total revenue for the FY 2023 with the supply of protective packaging products contributing the remaining 19.82% at RM16.32 million. The primary driver behind the manufacturing segment being the main contributor to the Group's revenue was the substantial sales of corrugated cartons and paper pallets within the electrical and electronic products sector.

Further details of the financial performance of the Group are highlighted in the Management Discussion and Analysis.

TRANSFORMATIONAL GROWTH

The successful IPO signifies the commencement of a fresh chapter in our journey of expansion. With unwavering determination, we have pursued the enlargement of our network within existing markets and embarked on the exploration of prospects to expand our well-established business model.

Drawing upon our established track record and substantial experience in industrial packaging, we are poised to harness our strengths while maintaining flexibility and fortitude to outpace challenges and fierce competition in the industrial products arena. Our commitment involves implementing forward-looking transformative strategies to foster progressive growth. In light of this, we have pinpointed four pivotal areas of expansion and corresponding approach, which encompass:

Strategy

We set ambitious and motivating goals that are aligned with our organisation's mission to ensure a harmonious synergy between objectives and core purpose.

Operations

We are committed to achieving operational effectiveness by carefully optimising the utilisation of resources.

Financial Reporting

We are highly dependent on operational and financial reporting to ensure transparency and accountability to our stakeholders.

Compliance

We commit to conducting our operations and activities in accordance with relevant laws and regulations, while upholding ethical business practices.

WORD OF APPRECIATION

The accomplishments we achieved during FY 2023 would not be possible without the unwavering support, commitment, and contributions of our exceptional management team and dedicated employees as well as all our stakeholders.

On behalf of the Board, I extend my sincerest appreciation to our esteemed customers, shareholders, valued business partners and other stakeholders for their steadfast support and trust. I would also like to convey my gratitude and appreciation to my esteemed fellow Board members, the management team, and every staff member of the Group for their unwavering dedication, hard work, and significant contributions that have greatly enriched our Group.

Mohamad Ismail Bin Abu Bakar
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors (“the Board”) of DS Sigma, it is my pleasure to present to you the Management Discussion and Analysis (“MD&A”) of the Company, and its subsidiaries (“the Group”) for the financial year ended 30 June 2023 (“FY 2023”).

The following MD&A of the operating performance and financial condition of the Group for the FY 2023 should be read in conjunction with the Audited Financial Statements for the FY 2023 and related notes thereto.

The information presented in the MD&A, including information relating to comparative year in 2022, is presented in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), unless otherwise stated.

OVERVIEW OF BUSINESS AND OPERATIONS

DS Sigma is listed on the ACE Market of Bursa Malaysia Securities Berhad in the Industrial Products & Services sector. The Company's issued share capital comprises 480,000,000 ordinary shares as of 30 June 2023.

Operating as an investment holding firm and a total packaging solutions provider, the Group provides tailored packaging solutions in the electrical and electronics (“**E&E**”) and renewable energy sector from packaging design and optimisation to customised supply chain management service for our customers. Our central offices are located in Puchong whilst our manufacturing facilities are strategically positioned in Teluk Gong and Nilai. Our subsidiary entities namely, Dai Suwon Packaging Sdn Bhd, Dai Suwon Manufacturing Sdn Bhd and Kaisung Industries Sdn Bhd, play a pivotal role in the internal production of corrugated paper packaging solutions, encompassing cartons, protective packaging, and paper pallets. In addition, we provide non-paper based protective packaging, notably including plastic, foam, and rubber products.

During the past year, the Group has been presented with significant challenges from the rising tensions between US-China trade war, global inflation as well as supply chain disruptions and the ongoing Russia-Ukraine conflicts generated geopolitical tensions that led to increased costs. The fluctuations in foreign currency exchange rates, particularly the volatility of the Malaysian Ringgit against the US Dollar coupled with the slowdown in the economy in United States and European region, also had potential impact to the Group's revenue and profit margin. Despite these formidable challenges that we faced, the Group managed to achieve healthy performance for FY 2023.

Presently, we are proactively transitioning to automation and machinery as a means of bolstering our productivity. Embracing automation represents a pivotal step toward our aspiration of becoming an automated packaging solutions provider that is less reliant on labour supply. By automating certain processes, we are able to streamline our activities and eliminate inefficiencies that could potentially affect both our business and the environment negatively. This transition reinforces our dedication to responsible practices and sustainability initiatives while enhancing the overall effectiveness of our operations.

With over two decades of operation in the packaging products sector since 2002, DS Sigma has cultivated a steadfast customer base that includes prominent names such as Samsung, Panasonic, and Sony. Throughout these years, we have consistently improved and achieved remarkable milestones, guided by experienced and dedicated management team. These achievements, in particular, our debut on the ACE Market of Bursa Malaysia Securities Berhad on 6 January 2023, serve as a testament to the Group's dedication to growth, operational excellence, and the principles of sustainability.

Our confidence lies in our technical proficiency and unwavering commitment to stringent quality control, serving as cornerstones in establishing our identity as a comprehensive packaging solutions provider. In today's age of technological advancement, efficient packaging remains paramount for any product. Thus, employing suitable packaging materials enhances product quality, prolongs shelf life, and ensures secure delivery to end consumers.

Management Discussion And Analysis (Cont'd)

CORPORATE OBJECTIVES AND STRATEGIES

Acknowledging that the pathway into 2023 is riddled with challenges and obstacles from various macroeconomic factors, DS Sigma **intends to minimise the impact of rising raw materials costs**. In response to the prevailing surge in raw material costs, the Group is proactively engaged in ongoing negotiations with suppliers to curtail expenses related to paper boards. Despite contending with the difficulties stemming from reduced customer demand amid the broader macroeconomic climate, the Group takes pride in being bestowed with Panasonic's esteemed Best Business Partner Appreciation Award in 2022. This recognition serves as a testament to our commitment not only to streamlining operational costs but also to our genuine concern for the welfare of our stakeholders.

Furthermore, we are taking a proactive approach to **automate our operations** as a means of bolstering our productivity. This initiative exemplifies the Group's dedication to reduce its dependency on labour supply. This strategic transition not only aligns with our steadfast commitment to sustainability but also contributes to the optimisation of our operational processes. To implement this strategy, DS Sigma has acquired several automation machineries during the financial year and established a new research and development lab to foster innovation. By incorporating automation into specific processes, we enhance our ability to streamline activities and rectify inefficiencies that might adversely affect both our business and the environment. This shift further emphasises our unwavering dedication to responsible practices and sustainability initiatives, all while bolstering the overall efficiency of our operations.

Moreover, with our newly set up packaging design and innovation centre equipped with capabilities to provide packaging testing services, we are able to increase our value offering to customers through value engineering their products to create significant value to their supply chain management as well as achieve their sustainability goals. We are taking this opportunity to seize the rise in demand for renewable energy and to diversify our customer base from the E&E sector to other sectors such as solar photovoltaic.

FINANCIAL PERFORMANCE

Review of financial results

	FY 2023 RM'000	FY 2022 RM'000	Changes %
Revenue	82,342	121,218	-32.07
Gross Profit	26,559	43,005	-38.24
Profit Before Tax ("PBT")	11,665	28,847	-59.56
Profit After Tax ("PAT")	8,164	21,471	-61.98
Gross Profit Margin (%)	32.25	35.48	-9.10
PBT Margin (%)	14.17	23.80	-40.46
PAT Margin (%)	9.91	17.71	-44.04
Basic and Diluted earnings per share (sen)	2.21	777.97	-99.72

In FY 2023, the Group's total revenue stood at RM82.34 million. Within this, RM66.02 million came from the manufacturing of corrugated paper packaging products, while RM16.32 million was generated from the supply of protective packaging products.

According to the Malaysian Semiconductor Industry Association ("MSIA"), the outlook for 2023 remains uncertain. Approximately 50% of surveyed E&E companies anticipate a decrease in orders, while 25% foresee an increase, as different product categories experience varying growth patterns. Nonetheless, the Group is committed to expanding its customer base by exploring opportunities in new industries.

For FY 2023, the Group achieved a profit before tax of RM11.67 million. Administrative expenses for the financial year-to-date amounted to RM15.05 million, comprising costs such as staff expenses, depreciation, building and office equipment maintenance fees, insurance, professional fees, transportation, and utilities.

Management Discussion And Analysis (Cont'd)

FINANCIAL PERFORMANCE (CONT'D)

Review of financial position

	FY 2023 RM'000	FY 2022 RM'000	Changes %
Total assets	124,758	79,494	56.94
Total shareholders' equity	106,842	50,290	112.45
Net asset per share (RM) ⁽¹⁾	0.22	0.10	
Current assets	95,585	53,937	
Current liabilities	9,120	16,358	
Current ratio (times)	10.48	3.30	

Note:

⁽¹⁾ Net assets per share is calculated based on the net assets divided by the number of ordinary shares of 480,000,000 shares for comparison purpose.

The Group's total asset had increased from RM79.49 million as at 30 June 2022 to RM124.76 million as at 30 June 2023 resulting from an increase in cash and cash equivalent due to the proceeds from our IPO exercise. As a result, our Group's net assets per share stood at RM0.22 as at 30 June 2023. Comparing FY2023 over FY2022, current asset increased by RM41.65 million or 77.2% and was mainly due to higher cash and bank balances of RM47.30 million resulting from the IPO proceeds. Total liabilities had decreased by RM11.29 million or 38.7% which was mainly driven from the decrease in total borrowings of RM4.04 million.

The Group's net cash and cash equivalent stood at RM75.45 million as compared to RM26.02 million in FY 2022. The increase in cash and cash equivalents as of 30 June 2023 were mainly due to the proceeds from IPO of RM50.15 million. As at 30 June 2023, the Group's bank borrowing has decreased by RM4.04 million to RM4.82 million as compared to RM8.86 million in FY 2022. The decrease was mainly due to repayment of bank borrowings with the IPO proceeds. The gearing ratio of the group has improved to 0.06 as at 30 June 2023 in comparison with 0.21 for FY 2022.

The Group's capital commitments included the expansion of operational facilities, the acquisition of new machinery and equipment, and the establishment of a packaging design and innovation centre. Among these commitments are expanding facilities and acquiring machinery amounted to approximately RM33.20 million. These investments showcase DS Sigma's dedication to expanding manufacturing capabilities and enhancing research and development efforts to optimise its operations. In summary, DS Sigma's financial position is strong with healthy cash and cash equivalent of RM75.45 million and a strong current ratio of 10.48.

Dividend

It is our Boards' policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, we do not have a formal dividend policy at the present.

For the FY 2023, the Group declared a total dividend of 0.75 sen per ordinary share which translates to a dividend payout ratio of 44% over the PAT for the FY 2023. The total dividend amounting to RM3.60 million will be paid on 30 October 2023.

Management Discussion And Analysis (Cont'd)

REVIEW OF OPERATING ACTIVITIES

During the financial year, the Group has managed to expand its geographical reach to new areas in the northern region of Peninsular Malaysia, namely Penang. To better serve our customer in Penang, our Group is planning to lease a warehouse facility space in Penang to maintain close proximity to our customers. In the initial phase, we will facilitate the movement of paper packaging products from our Nilai facility to the Penang warehouse, thereby effectively meeting the requirements of newly secured customer orders. Additionally, strategic collaborations with Penang-based subcontractors will be established to fortify our packaging supply capabilities and ensure prompt order fulfilment.

As demand grows and orders become consistent, our production capacity will be expanded, thereby bringing us closer to the realisation of a full-fledged manufacturing operation in Penang within the coming years. This evolution represents a significant stride towards solidifying our presence in this new region and underscores our commitment to meeting the needs of both our expanding customer base and our growth aspirations.

Moreover, as a testament to our dedication to integrating sustainability into our operations, we have made substantial investments in the establishment of a new packaging design laboratory. This cutting-edge facility serves as a hub for our research and development endeavours, bolstering our testing capabilities to create innovative and environmentally friendly packaging solutions. Concurrently, in response to escalating market demand, we have strategically acquired automated machinery to enhance our productivity levels.

In our relentless pursuit of excellence, our comprehensive performance benchmarking system ensures the unwavering maintenance of a consistently high-quality standard for our products. By adhering closely to industry benchmarks and meeting the diverse expectations of our valued customers, we affirm our commitment to delivering excellence in every facet of our operations.

ANTICIPATED OR KNOWN RISKS

The packaging industry in Malaysia is a competitive industry comprising multiple local industry players; hence, we face stiff competition from both existing industry players and potential new market entrants. However, the barrier of entry to the packaging industry is high. This is because the manufacturing of packaging is a capital expenditure intensive business, where high initial capital is required for the purchase of raw materials and for the set-up of manufacturing facilities. Furthermore, the customised packaging solutions offered by DS Sigma to our current customers further serves as a hurdle for potential packaging suppliers as our customers are less willing to source their packaging products from new or even existing packaging suppliers.

We are also dependant on a concentrated group of major customers namely the Sony group, Panasonic group and also Samsung as these customers contribute a significant proportion to the Group's total revenue. However, the Group is constantly working on further expanding our customer base to include other large multinational customers particularly in the solar photovoltaic sector.

Furthermore, the escalating cost of raw materials and production overheads could have a substantial impact on our business, potentially leading to reduced customer demand in light of the prevailing macroeconomic conditions. Nevertheless, the Group remains committed to ongoing negotiations with suppliers, seeking ways to minimise expenses linked to paper boards in order to deliver enhanced value to its stakeholders.

While the risk of heightened raw material costs and production overheads is a concern, the Group is also exposed to other inherent business risks. These encompass Strategic Risk, Operational Risk, Compliance Risk, Environmental Risk, Financing Risk, Credit Risk, Market Risk, and Reputation Risk. It is important to acknowledge that these inherent risks cannot be entirely mitigated due to its unpredictability.

However, DS Sigma has proactively instituted effective risk management strategies to mitigate these risks. The Group stands prepared to confront these challenges head-on, bolstered by its commitment to safeguarding the interests of its stakeholders.

Management Discussion And Analysis (Cont'd)

FORWARD-LOOKING STATEMENT

Since our business inception, we have consistently meet the needs of our regular customers and have prepared ourselves to take on new customers. This forward-looking approach has driven us to expand our market reach and serve a broad customer base.

To address the anticipated demand for our products, DS Sigma has made strategic investments, including the acquisition of additional machinery and the establishment of a cutting-edge research and development facility. This investment in a packaging design lab is anticipated to fuel innovation and advance our sustainability endeavours as we would be able to research and design sustainable packaging. It also empowers us to handle more orders, enhancing production efficiency and minimising waste. The Group's strategic vision encompasses further expansion of our main manufacturing facility, the integration of new machinery, and the augmentation of production capacity. We are seeing a rise in demand for sustainable packaging from the western countries mainly the European countries and United States which is taking the environmental sustainability and carbon footprint very seriously. This rise in demand serves to bolster our competitive advantage with our research and development capabilities focusing on sustainability initiatives.

Our Group's confidence in business expansion is underpinned by the experience of our management team and the technical expertise of our skilled professionals. We acknowledge the potential challenges in the upcoming financial year as we are facing economic headwinds ahead with the unstable economic situation yet remain optimistic about identified business opportunities. With prudent and cautious actions, we are determined to ensure sustained business growth.

Your sincerely,

Managing Director

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

The Group takes great pride in introducing our inaugural sustainability statement, which effectively outlines how DS Sigma Holdings Berhad (“**DS Sigma**” or “**Company**”) and its subsidiaries companies (“**the Group**”) systematically address sustainability risks inherent to our business operations. By comprehensively grasping these sustainability risks and potential avenues, we empower ourselves to conduct business in a conscientious and sustainable manner.

Statement Scope and Boundary

For our first year of reporting as a listed company, we have selected the primary contributors to our revenue, which include the manufacturing of corrugated carton boxes, paper pallets and supply of plastic and other protective packaging products.

The details of the Group’s manufacturing facilities are shown in the table below:

Building	No. of Buildings	Locations
Headquarters	2	Puchong, Selangor
Factory	2	Telok Gong, Selangor
Factory	1	Nilai, Negeri Sembilan

This report is prepared for the financial year ended (“**FYE**”) 30 June 2023, which covers the reporting period between 1 July 2022 to 30 June 2023 and is reported on an annual basis.

Reporting Framework

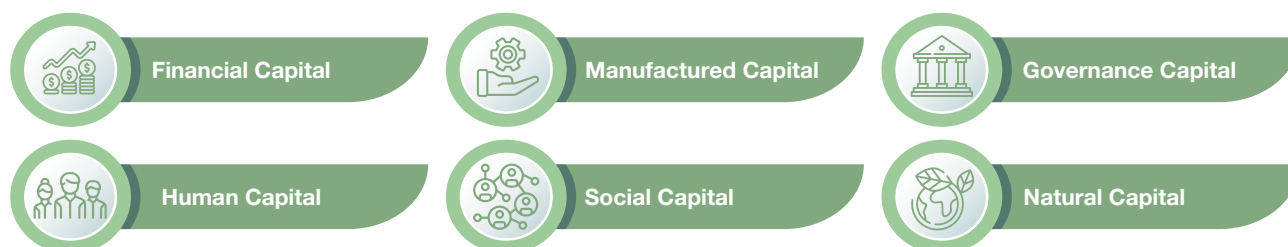
This statement is prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad. Our statement was created through the reference of Global Reporting Initiatives (GRI) 4.0 Sustainability Reporting Guidelines, Sustainable Development Goals (“**SDGs**”) and Task Force on Climate-Related Financial Disclosures (“**TCFD**”).

SUSTAINABILITY STRATEGY

SIX CAPITAL OF DS SIGMA

In the core of DS Sigma’s value-creation business model lies the commitment to augmenting value by adopting a dynamic approach that continually evolves to address the rapidly changing environmental and business dynamics. DS Sigma has chosen to embrace the framework set forth by the International Integrated Reporting Council as a means to holistically assess and make sound business and financial sense of our sustainability performance. This framework has fortified our sustainability strategy, policies, and practices, aligning them with global benchmarks, including the United Nations Sustainable Development Goals.







Applying this framework to our six capital, we extend our role as a corporate citizen to consistently provide value for both our business and stakeholders. This alignment underscores our resolute commitment to sustainable practices and the creation of sustained value.



Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

SIX CAPITAL OF DS SIGMA (Cont'd)

Financial	Manufactured	Governance
Funds available to the Company from operations and financing	Manufactured physical objects used in value creation	Governance, internal control system and procedures
 <p>Financial Highlight</p> <p>Resources to support the Group's operations and implement other capitals</p>	 <p>Marketplace</p> <p>Implementing sustainability through the reduce, reuse, and recycle ("3Rs") efficiency quality and compliance</p>	 <p>Governance</p> <p>Board engagement on strategy, internal control to enhance the sustainability initiative</p>
Human	Social	Natural
Skills, motivation, alignment with organisational goals	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate	Renewable and non-renewable natural elements, and the eco-system, used as inputs by the Company now or in the past or future, and impact of firm on them
 <p>Workplace</p> <p>Creating a safe and supportive working environment, provide training, and self-development</p>	 <p>Community</p> <p>Contributing to local community development</p>	 <p>Environment</p> <p>Improving our environment by utilising greener alternatives</p>

SUSTAINABILITY GOVERNANCE

DS Sigma recognises sustainability as a paramount consideration in our Company. To this end, the Group has meticulously instituted a structured and all-encompassing governance framework. This framework has been strategically designed to ensure the successful attainment of our sustainability objectives and aspirations.

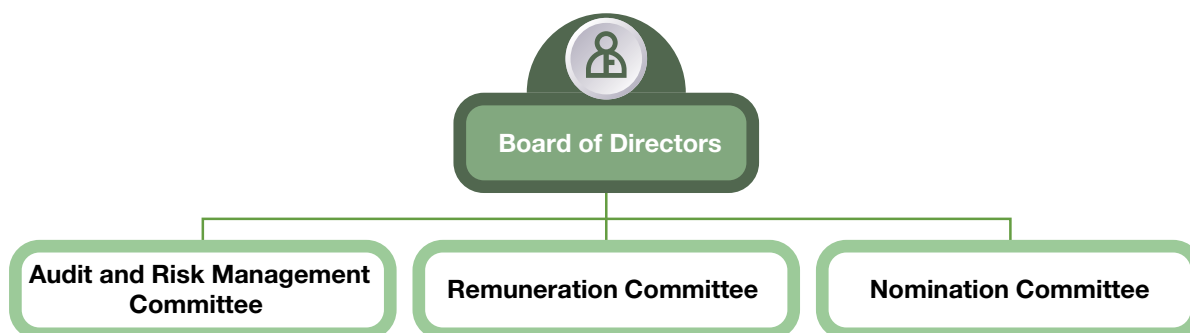
The Board of Directors of DS Sigma ("**Board**") assumes a pivotal role in advancing sustainability throughout the organisation and overseeing the Group's sustainability strategy. Their responsibilities encompass ensuring the achievement of significant objectives, establishing a resilient risk management framework, and an internally effective control system. The oversight of organisational performance and the efficacy of the risk management framework and internal control system is aided by the Audit and Risk Management Committee, Remuneration Committee, and Nomination Committee.

To enhance the efficacy of our sustainability endeavours, we are currently in the process of establishing a dedicated environmental, social and governance ("**ESG**") Committee. The ESG Committee will concentrate on the Group's objectives, policies, and practices pertaining to sustainability or ESG matters. Their duties encompass devising sustainability strategies, assessing sustainability-related risks, appraising sustainability performance and goals, and rigorously supervising the implementation of sustainability-related policies and practices.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

SUSTAINABILITY GOVERNANCE (Cont'd)



The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement;
- Materiality assessment and identification of sustainability risks and opportunities relevant to us;
- Management of material sustainability risks and opportunities; and
- Communication of sustainability strategies, priorities, and targets as well as performance against targets to internal and external stakeholders.

STAKEHOLDER ENGAGEMENT TABLE

Demonstrating our dedication to cultivating a sustainable business, we actively endeavour to build strong and positive connections with our valued stakeholders. Such connections provide invaluable insights into our operations, enabling us to identify areas for improvement and avenues of opportunity. Hence, maintaining regular engagement with our stakeholders is of utmost importance, as it enables us to collect their feedback and promptly address any concerns that may arise.

Our identified key stakeholder groups has facilitated the implementation of diverse methods and channels of engagement. The following table provides a list of stakeholder groups, areas of concern/interest and engagement approach.

Stakeholder	Areas of Concern/Interest	Engagement Approach
Investors	<ul style="list-style-type: none"> • Financial performance • Business strategy • Shareholder value 	<ul style="list-style-type: none"> • Annual report • Annual general meeting • Corporate website • Announcements • Investor relations activities
Customers	<ul style="list-style-type: none"> • Product quality and safety • Customer-company relationship management • Timely product delivery 	<ul style="list-style-type: none"> • Customer survey • Relationship management
Suppliers	<ul style="list-style-type: none"> • Transparent procurement practices • Payment schedule • Timely delivery of materials/products 	<ul style="list-style-type: none"> • Evaluation on performance • Vendor registration (ad hoc, upon vendors' appointment) • Timely delivery (per delivery basis) • Payment to supplier (on agreed terms)
Employees	<ul style="list-style-type: none"> • Health & safety • Work-life balance • Remuneration & welfare package • Training and career development 	<ul style="list-style-type: none"> • Performance appraisal • Annual event • Training programs

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

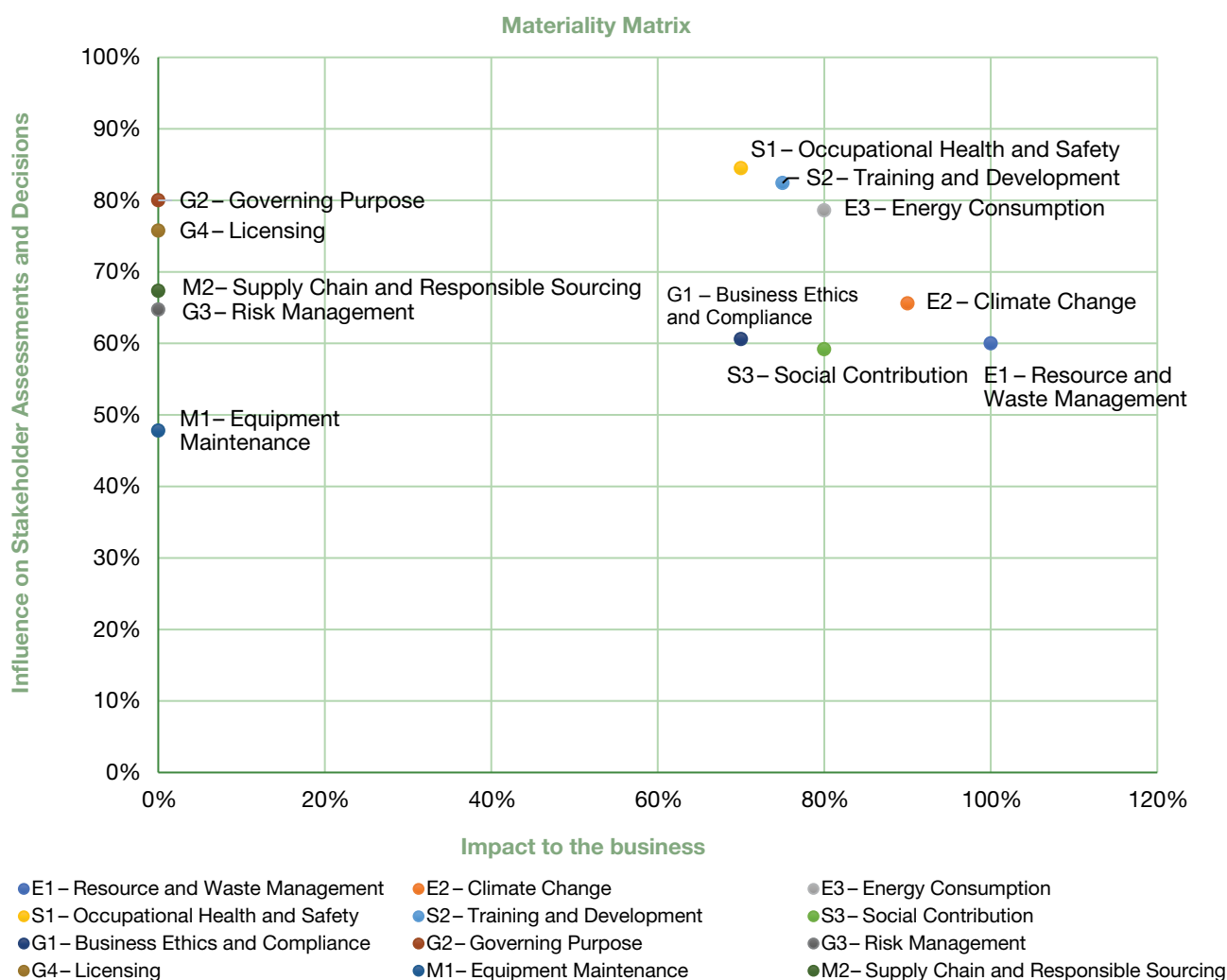
STAKEHOLDER ENGAGEMENT TABLE (Cont'd)

Stakeholder	Areas of Concern/Interest	Engagement Approach
Government and Regulators	<ul style="list-style-type: none"> Governance compliance Environment management and compliance Fair labour practices Anti-bribery & corruption 	<ul style="list-style-type: none"> Annual report Meeting & seminar Public announcements
Local Communities	<ul style="list-style-type: none"> Impact of business operation Social issue 	<ul style="list-style-type: none"> Customer relationship and engagement

MATERIALITY MATRIX

The Company undertook a comprehensive materiality assessment to ascertain the key sustainability events that hold significance for both the business and its stakeholders. Throughout this assessment, an evaluation of industry trends and advancements, along with global and local sustainability concerns, was carried out.

The material topics identified in FYE 2023 are illustrated in the diagram below:



Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

MATERIALITY MATRIX (Cont'd)

Material Sustainability Matter	Relevant Stakeholders
E1 – Resource and Waste Management	Regulatory Agencies and Local Communities
E2 – Climate Change	Regulatory Agencies and Local Communities
E3 – Energy Consumption	Regulatory Agencies and Local Communities
S1 – Occupational Health and Safety	Employees and Local Communities
S2 – Training and Development	Employees and Regulatory Agencies
S3 – Social Contribution	Investors
G1 – Business Ethics and Compliance	Regulatory Agencies and Local Communities
G2 – Governing Purpose	Regulatory Agencies and Local Communities
G3 – Risk Management	Regulatory Agencies and Local Communities
G4 – Licensing	Investors and Regulatory Agencies
M1 – Equipment Maintenance	Employees, Regulatory Agencies, and Local Communities
M2 – Supply Chain and Responsible Sourcing	Customers, Investors, and Local Communities

ECONOMIC

Resources to support the Group's operation and implement other capitals

In FYE 2023, the Group has generated a total revenue of RM82.34 million. Of this amount, RM66.02 million was attributed to the manufacturing of corrugated paper packaging products, while RM16.32 million was resulted from the supply of protective packaging products. The Group also reported additional income of RM24,743 from sale of waste paper and a gain of RM76,405 from the disposal of property, plant, and equipment, totalling RM101,148 in supplementary earnings.

It is worth noting that the Group's operations do not exhibit significant susceptibility to seasonal or cyclical variations, although there is a noticeable uptick in sales between July and October. During this period, customers tend to increase their orders in preparation for year-end and festive season sales. Furthermore, it is important to mention that the Group did not experience any gain or loss stemming from changes in the fair value of financial liabilities for the year-to-date, as the Group did not have any financial liabilities subject to fair value measurement.

MARKETPLACE

Implementing sustainability through the 3Rs efficiency quality and compliance

DS Sigma acknowledges the significance of integrating principles of sustainability into our product quality and safety protocols. This integration ensures that our products are not only safe for our customers but also environmentally friendly throughout all stages of production. Our dedication to delivering high-quality products and services remains a primary concern, and we persistently work towards enhancing our standards, procedures, and controls to uphold unwavering quality standards and sustainability.

Sustainable Operation Management

DS Sigma places great importance on maintaining stringent quality control measures. As part of our commitment to build a sustainable future, we actively engaged in initiatives that align with present demands. This involves a focused approach to curbing our carbon emissions during manufacturing, boosting energy efficiency, and adopting circular practices that optimise the use of renewable resources. By doing so, we intend to reduce our ecological and societal impact.

Recognising the urgent need to address the critical challenge of climate change, which poses a profound threat to our planet, we, as a responsible entity, are wholeheartedly dedicated to environmental preservation. Our unwavering commitment extends to adhering rigorously to all pertinent environmental regulations and requisites, taking measured strides forward.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

MARKETPLACE (cont'd)

Implementing sustainability through the 3Rs efficiency quality and compliance

Sustainable Operation Management (cont'd)

To tangibly illustrate our dedication to upholding environmental standards, we have instituted an all-encompassing waste management system rooted in the 3Rs principle. Our primary aim within production is to minimise waste, accomplished by reducing packaging usage, reusing and recycling resources, all without compromising the quality of our products. Concurrently, we persistently engage in research and development to discover enhanced sustainability strategies, with the objective of making our operations more environmentally sustainable, driven by both ethical consideration and commercial standpoint.

Product Quality and Safety Management

DS Sigma places great emphasis on both establishing and maintaining exceptional levels of product quality in our path of value creation and business expansion. Our resolute commitment to upholding industry-leading quality benchmarks has yielded various positive outcomes. These include elevated customer satisfaction, amplified market valuation, enhanced reputation, effective risk mitigation, and a motivated workforce that consistently strives for excellence.

As a dependable and reputable entity, we take pride in benchmarking our products and services against the best industry standards. The Company prioritises the manufacturing of quality products and services, whereby we regularly conduct thorough assessments and oversee production efficiency while diligently managing waste. In alignment with our commitment to quality control, the Group has secured the following certifications:

- ISO 9001:2015 – Quality Management Systems
- ISO 14001:2015 – Environmental Management Systems

GOVERNANCE

Board engagement on strategy, internal control to enhance the sustainability initiative



Our approach to governance of risk management and strategies involves disclosing pertinent information on sustainability and risks to the public. By enhancing transparency in our management practices and proactively addressing risks through preventive measures, we instil a higher level of confidence in DS Sigma among our customers, stakeholders, communities, and the broader public.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

WORKPLACE

Creating a safe and supportive working environment, provide training, and self-development

The Company places significant importance on its employees, recognising them as the cornerstone of our organisation's enduring growth and achievements. Consequently, we consider the well-being and overall satisfaction of our stakeholders to be a fundamental benchmark within our management strategy.

Training and Development

DS Sigma is dedicated to offer diverse learning opportunities throughout the employees' careers, ensuring the acquisition of essential skills for optimal task execution. Recognising the pivotal role our people play in achieving operational and safety excellence, we remain committed to enriching our human resources and nurturing employee growth to align with evolving business demands. Our employees participate in a series of training programs, including both mandatory and voluntary options, ensuring they possess the pertinent skills necessary for job performance.

In FYE 2023, the Group allocated an investment of RM17,378.00 towards both in-house and external training initiatives. These programs collectively provided employees with a total of 108 hours of training, which they are exposed to a range of educational topics, including waste management, environmental awareness, leadership, first aid training, and adherence to code of conduct.



First Aid and Fire Training

As part of our ongoing commitment to ensuring that employees are well-equipped with the essential skills and knowledge relevant to their roles, the Group diligently organised at least one training program each month. This strategy ensures that all members of the team have access to educational opportunities and fosters a culture of continuous learning with a 'never stop learning' mindset. The Group firmly believes that investing in human capital not only attracts and retains exceptional talent but also enhances overall operational efficiency. Furthermore, when employees possess the requisite skills and knowledge for their roles, they make significant contributions to achieving operational and safety excellence.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

WORKPLACE (Cont'd)

Creating a safe and supportive working environment, provide training, and self-development

Employees' well-being

Being a company that places paramount importance on employees' health and safety, we are equally dedicated to nurturing their mental well-being. Recognising the intrinsic link between employee health, overall job satisfaction, and productivity, we are resolutely committed to establishing a workplace that fosters both comfort and harmony, while championing a healthy work-life equilibrium. To actualise this commitment, we have thoughtfully curated a series of engaging initiatives for our employees, encompassing monthly birthday celebrations, annual dinners, and team-building activities. We firmly believe that advocating an active lifestyle is vital for enhancing our employees' health and well-being, thus contributing profoundly to the cultivation of a positive and vibrant workplace culture.

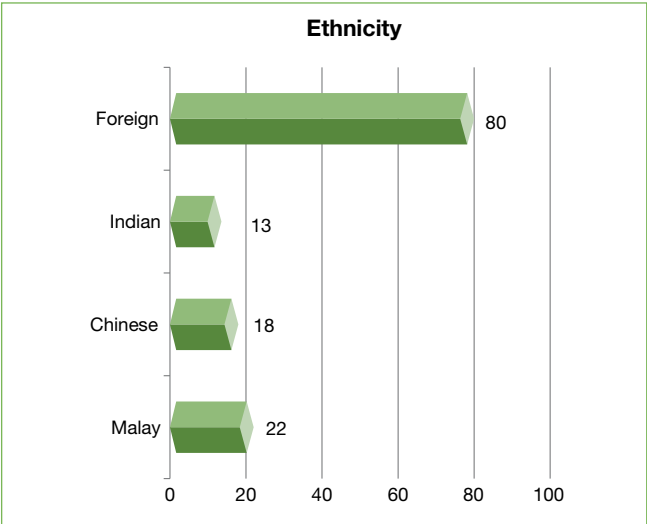
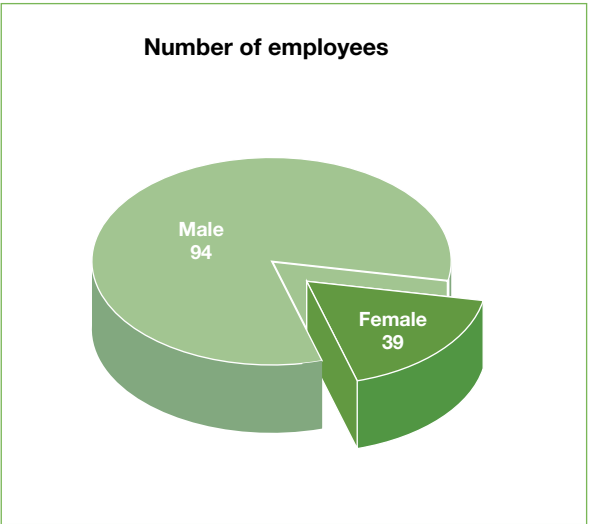


To reaffirm the Group's commitment to safeguarding the safety and well-being of its employees, strict adherence to the Occupational Safety and Health Act 1994 is observed. This entails prioritising the safety, health, and overall welfare of our workforce, while also extending protection to others by mitigating potential safety and health hazards.

Employment

DS Sigma is persistent in championing a nurturing work environment that stands resolutely against any form of unlawful discrimination, irrespective of factors such as race, colour, gender, religion, age, disability, or any other legally protected classification. Our steadfast commitment extends to fostering a culture that upholds inclusivity and equal opportunities for all our employees, so they can strive to grow and succeed to the best of their abilities.

In the FYE 2023, the workforce consisted of a total of 133 employees. Among them, 94 were males and 39 were females. The ethnicity breakdown comprises 22 Malay employees, 18 Chinese employees, 13 Indian employees, and 80 foreign workers.



Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

COMMUNITY

Contributing to local community development

We recognise the pivotal contributions of our customers and the community to our business triumphs. In light of this, we are dedicated to maintaining consistent engagement with these stakeholders, aiming to cultivate a favourable brand image and reputation while effectively addressing their inquiries and needs. Our community commitment extends beyond mere satisfaction and the provision of outstanding products and services; it encompasses fostering awareness of our business practices and inspiring their trust in our endeavours. Considering the post-pandemic landscape, the company is also currently placing emphasis on other segments, particularly employee welfare initiatives such as team-building events and specialised trainings. DS Sigma is also giving heightened attention to internal priorities, including occupational health and safety, comprehensive staff remuneration packages, welfare benefits, and robust insurance coverage, all while strengthening future income prospects. At the same time, the Company is exploring opportunities to enhance its community involvement in the near future.

Customer Services and Relationship Management

As a compassionate business, our guiding principles revolve around important values like delivering quality, solving customer problems, and being dependable. Our commitment to these values can be reflected in our operations and delivery of products and services to our customers. As we highly prioritise our customers as key stakeholders, their satisfaction is of utmost importance to us. Our core approach is to provide our customers with reliable products they can trust, which in turn promotes peace of mind and overall satisfaction. This unwavering commitment to providing dependable and reliable products is a cornerstone of our philosophy and remains at the forefront of everything we do at DS Sigma.

Over the course of two decades, we have fostered robust partnerships with prominent brands such as Samsung, Panasonic, and Sony, that continue to entrust us with their business. This enduring commitment to addressing customer concerns and streamlining their interactions exemplifies our steadfast dedication to nurturing these relationships, enabling us to both retain existing customers and attract new ones.

ENVIRONMENT

Improving our environment by utilising greener alternatives

As a conscientious organisation with a strong environmental focus, DS Sigma is steadfastly dedicated to an ongoing role in the preservation and safeguarding of our environment. Our mission revolves around the unwavering commitment to reduce our ecological impact by optimising material consumption and ensuring the sustainable operation of our manufacturing facilities. We are committed to practicing and promoting environmentally friendly initiatives that align with our values and contribute to a greener and more sustainable future.

Waste Management

Improper disposal of effluents, containing high levels of chemicals and vital nutrients like nitrogen, phosphorous, and potassium, can exert significant influence on the water quality and biodiversity of aquatic and oceanic ecosystems. Similarly, inadequate waste management methods can result in contamination of air, water, and soil, posing grave risks to both the environment and human well-being. Furthermore, the excessive generation of waste from manufacturing activities can exert substantial strain on our natural resources, ultimately leading to environmental deterioration.

In FYE 2023 we generated a total of 25kg of waste (SW410 – rags, plastics, papers or filters contaminated with scheduled wastes). In alignment with the requirements of the Environment Quality (Scheduled Wastes) Regulations 2005 stipulated by the Department of Environment, Malaysia, we rigorously maintain records and implement monitoring protocols. This guarantees the appropriate storage and disposal of waste by licensed contractors at designated landfills.

Additionally, the Group embraced the 3Rs principle as the foundation of our waste management approach. Through responsible and effective management of our scheduled waste, we are dedicated to mitigating the environmental footprint of our operations, concurrently contributing to the conservation of natural resources and the safeguarding of human health.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

ENVIRONMENT (Cont'd)

Improving our environment by utilising greener alternatives

Waste Management (Cont'd)

Our determined efforts are directed at minimising waste disposal while ensuring compliance with the local regulations. Our Group's primary focus centres on paper-based products, inherently recyclable in nature. Notably, our range encompasses corrugated cartons, encompassing test liners and corrugating medium, primarily fashioned from recycled corrugated carton and other paper-based materials.

Additionally, our commitment to sustainability is evident through the production of paper pallets, strategically replacing their plastic and wooden counterparts. This deliberate choice aligns with our dedication to recyclability. A noteworthy aspect of our paper pallet manufacturing involves the utilisation of off-cuts from corrugated boxes. These off-cuts mainly serve as the foundational components for the legs of our paper pallets.

In essence, our operational practices underscore a comprehensive commitment to environmental responsibility, encompassing waste reduction, adherence to regulations, and the production of recyclable materials. The table below provides an overview of how we integrate the 3Rs principle into our waste management approach:

Reduce	Reuse	Recycle
We reduce packaging usage through thoughtful design and development of customer's requirements, all without compromising quality	We reuse the rejects and waste of production into manufacturing other products, such as our paper pallets	We recycle the remaining unavoidable waste to ensure waste minimisation

By integrating these strategies, we ensure a comprehensive approach to waste management that aligns with the 3Rs principles. This approach not only minimises our environmental impact but also contributes to a more sustainable and responsible business operation.

Water

Excessive water consumption put significant strains on water resources and contributes to the contamination of wastewater, thereby posing a potential threat to the deterioration of water quality. The issue of poor water quality and water stress has the potential to undermine essential ecosystem functions and negatively impact the well-being of local communities.

The Company has taken significant measures to address this concern and notably, our operations do not exhibit substantial water usage. Thus, we remain committed to reducing our total water consumption through active promotion and implementation of water-saving practices.

LOOKING FORWARD

As a publicly listed company, transparency and integrity are paramount in our business operations. Our Sustainability Statement serves as a crucial means for us to communicate with our stakeholders and share insights into our sustainability practices. In alignment with this commitment, we have instated robust policies such as the Anti-Bribery and Corruption Policy and Whistleblowing Policy. Our unwavering stance against fraudulent conduct, bribery, corruption, money laundering, and insider trading underscores our zero-tolerance approach. By upholding these core values and principles, we strive to establish trust and confidence with our stakeholders and continue to operate as a responsible corporate citizen.

Moving forward, our management remains dedicated to enhancing our capabilities to better cater to customer needs and propagate sustainable practices across our operations. Our ongoing sustainability focus leverages the strides we have made in reducing our environmental impact and engaging with stakeholders on social and ethical concerns.

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)



RELATIONSHIP WITH SDGS

SDGs		Main Activity	Detailed Information
	No poverty	-	-
	Zero hunger	-	-
	Good health and well-being	DS Sigma provides a safe working environment	<ul style="list-style-type: none"> Governance Marketplace Workplace
	Quality education	Provides training and development for staff	<ul style="list-style-type: none"> Workplace
	Gender equality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
	Clean water and sanitation	Provision of water dispenser in the workplace	<ul style="list-style-type: none"> Workplace
	Affordable and clean energy	-	-
	Decent work and economic growth	Quality control and management	<ul style="list-style-type: none"> Marketplace
	Industry, innovation, and infrastructure	Non-toxic product innovation	<ul style="list-style-type: none"> Marketplace
	Reducing inequality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

RELATIONSHIP WITH SDGS (Cont'd)

SDGs		Main Activity	Detailed Information
	Sustainable cities and communities	Community relationship and engagement	<ul style="list-style-type: none"> Community
	Responsible consumption and production	Promise to deliver safe and quality products	<ul style="list-style-type: none"> Marketplace Community
	Climate action	3Rs Initiative	<ul style="list-style-type: none"> Governance Environment
	Life below water	-	-
	Life on land	-	-
	Peace, justice, and strong institutions	Compliance with governance laws	<ul style="list-style-type: none"> Governance Workplace
	Partnerships for the goals	Sustainability report initiative	<ul style="list-style-type: none"> Governance Environment

Sustainability Statement (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

TCFD-ALIGNED DISCLOSURES

TCFD Recommendation	DS Sigma Disclosure	Reference
Governance – Disclose the organisation’s governance around climate-related risks and opportunities		
a) Describe the Board’s oversight of climate -related risks and opportunities	<ul style="list-style-type: none"> Audit and Risk management Board skills and experience – climate change Sustainability co-ordinator – role and focus 	<ul style="list-style-type: none"> Chairman statement Governance
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> Audit and Risk management climate change – managing risk and opportunity Sustainability co-ordinator – role and focus in the FYE 2023 	<ul style="list-style-type: none"> Governance Supply chain management Environment
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> Risk management – risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality matrix
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	<ul style="list-style-type: none"> Risk management – risk factors (climate change, greenhouse gas emissions and energy) Climate change – managing risk and opportunity 	<ul style="list-style-type: none"> Materiality matrix
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Climate change – evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> Energy efficiency and CO2 emission - to be implemented
Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Risk management 	<ul style="list-style-type: none"> Materiality matrix
b) Describe the organisation’s processes for managing climate-related risks.	<ul style="list-style-type: none"> Risk management – risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality matrix Energy efficiency and CO2 emission - to be implemented
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation’s overall risk management.	<ul style="list-style-type: none"> Risk management non-financial key performance indicators (“KPIs”) – sustainability KPIs Risk management – risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> Materiality matrix Energy efficiency and CO2 emission - to be implemented

Sustainability Statement
(Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

TCFD-ALIGNED DISCLOSURES (Cont'd)

TCFD Recommendation	DS Sigma Disclosure	Reference
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions Climate change – scope 3 emissions 	<ul style="list-style-type: none"> Energy efficiency and CO2 emission - to be implemented
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance Climate change – scope 3 emissions performance climate change data 	<ul style="list-style-type: none"> Energy efficiency & CO2 emission - to be implemented
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> Non-financial KPIs – sustainability KPIs Climate change – operational emissions performance in the FYE 2023 performance outcomes 	<ul style="list-style-type: none"> Energy efficiency & CO2 emission - to be implemented

CORPORATE GOVERNANCE OVERVIEW STATEMENT

“Corporate governance” is the system of rules, practices and processes by which a company is directed and controlled.

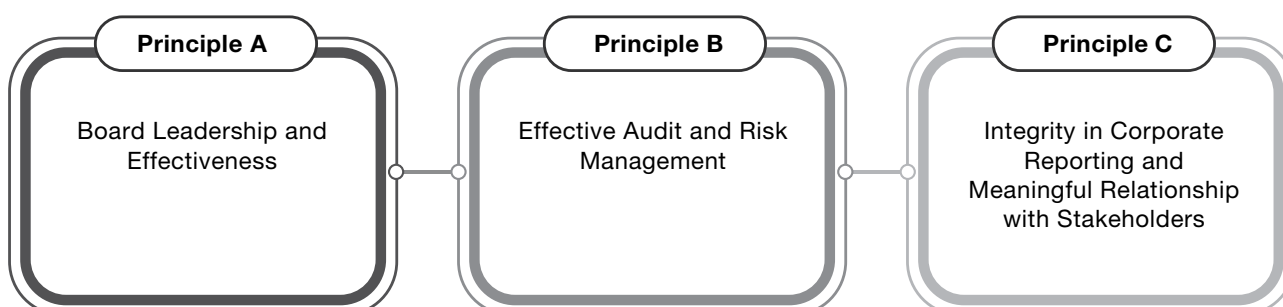
The Board of Directors of DS Sigma (**“Board”**) recognises that the purpose of corporate governance (**“CG”**) is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success to the stakeholders of the Company.

DS Sigma’s Commitment

As one of the leading total packaging solutions provider in Malaysia, the Board of DS Sigma is committed towards ensuring good CG practices are implemented and maintained throughout the Group as a fundamental part of discharging its duties to protect shareholders’ interests.

The Board takes cognisance of the updates on the Malaysian Code on Corporate Governance (**“MCCG”**) issued by the Securities Commission Malaysia with effect from 28 April 2021. MCCG introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

As part of this commitment, the Board is pleased to present this CG Overview Statement (**“CG Statement”**) to provide investors with an overview of the extent of compliance with the practices as set out in the MCCG under the stewardship of the Board. In doing so, the Board has taken guidance from the three (3) key Principles below as set out in the MCCG:-



This CG Statement also serves as a compliance with Rule 15.25(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) (**“ACE LR”**) and should be read together with the CG Report of the Company for the financial year ended 30 June 2023 (**“FYE 2023”**), which are available for public access on the Company’s corporate website at:-

<http://www.dssigma.com.my>

The CG Report provides the detailed explanations on how DS Sigma has applied each practice as set out in the MCCG during the FYE 2023.




Applicable Period

In view that the Company has only been listed on the ACE Market of Bursa Securities on 6 January 2023 (i.e. **“Listing Date”**), this Statement shall only cover the period from 6 January 2023, being the Listing Date up to 30 June 2023 or where applicable, up to 29 September 2023 (as indicated therein), being the latest practicable date (hereinafter referred to as **“Applicable Period”**).

Corporate Governance Overview Statement (Cont'd)

DS Sigma's Key Focus Area

The Board is pleased to provide below a snapshot of the key CG focus areas for the Applicable Period:-

MCCG Practice	Applications by DS Sigma
Practice 1.1 Key Responsibilities of the Board	<ul style="list-style-type: none"> Strategic planning and direction to Executive Management Group business overview and financial performance oversight Risk Management oversight – assisted by Audit and Risk Management Committee (“ARMC”) Internal control and compliance – ensure robustness, adequate and with integrity Stakeholders’ communication – designated spokesperson for external parties and general public Human resources planning and remuneration – ensure Executive Management retain key senior management personnel with integrity and competence.
Practice 5.2 At least half the Board comprises independent directors	<ul style="list-style-type: none"> 57% of the Board comprises Independent Non-Executive Directors (“INEDs”) and remaining 43% are Executive Directors (“EDs”). <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  3 EDs </div> <div style="text-align: center;">  4 INEDs </div> </div>
Practice 5.8 Nominating Committee is chaired by an independent or senior independent director	<ul style="list-style-type: none"> The Nomination Committee (“NC”) is chaired by Puan Maznida Binti Mokhtar (“Puan Maznida”), an INED As the Chair of the NC, Puan Maznida has been designated as contact person to whom shareholders may raise their concern.
Practice 6.1 Formal and objective evaluation on Board, its Committees and each individual director	<ul style="list-style-type: none"> Facilitated by the Company Secretary, Puan Maznida, as the Chair of the NC led the annual review of board effectiveness, ensuring the performance of each Director, the Board Committees, as well as the assessment of the Board as a whole by the NC and documented by the Company Secretary
Adoption of Step-up Practice 9.4 The Audit Committee comprises solely of independent directors	<ul style="list-style-type: none"> The Audit Committee comprises solely of three (3) INEDs <div style="text-align: center;">  INEDs </div>

Corporate Governance Overview Statement

(Cont'd)

The detailed applications of each of the three (3) key CG principles were set out below:-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Duties and responsibilities of the Board

The Board is responsible for the leadership, oversight and the long-term success of the Group.

Certain responsibilities of the Board are delegated to other Board Committees, which operate within clearly defined Terms of Reference. Standing committees of the Board include the Audit and Risk Management Committee (“**ARMC**”), Nomination Committee (“**NC**”), and Remuneration Committee (“**RC**”).

Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and/or decisions made by each Board Committee through the reports made by the Chairman or representative of each Committee and tabling of Minutes of Board Committees’ Meeting of the Applicable Period for notation by the Board.

It is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of its function and duties, the primary responsibilities of the Board include (but are not limited to) the following:-

(a) Enhancement of Strategic Plan to Include Sustainability Considerations

The Board noted the strategic plan of the Group, including its goals and business direction, have been enhanced to include sustainability considerations, and its underlying environmental, social and governance (“**ESG**”) issues.

The Board believes that the current strategic plan supports long-term value creation, which includes strategies on economic, environment and social considerations underpinning sustainability. Starting from ethically sourced raw materials to reducing negative environmental impact in its operations, the Board noted Management be tasked to deploy scalable corporate strategies for long term sustainability of the Group.

(b) Review of Management’s Proposals and Conduct of the Group’s Business

It is the practice of the Board to deliberate, review and approve the business proposals and strategic initiatives proposed by the Management.

The Board constantly monitors the implementation of the initiatives, through reporting updates by the Managing Director/ Senior Management Team, to ensure that the Group is aligned with its objectives of being a total packaging solutions provider in Malaysia.

(c) Oversee Business Operations and Performance Tracking

The **Key Senior Management** which consists of the following senior management personnel, headed by Ms. Lucille Teoh Soo Lien (“**Ms. Lucille Teoh**”) is responsible for the day-to-day management and operations of the Group:-

Name	Designation
Ms. Lucille Teoh	Managing Director (“ MD ”)
Mr. Beh Seng Lee	Executive Director (“ ED ”)
Mr. Beh Le Hao	ED
Mr. Lai Jian Hong	Chief Financial Officer (“ CFO ”)
Mr. Loi Guak Lian	Factory Director
Mr. Beh Koon Chiew	General Manager
Mr. Ramesh A/L Muniundy	Operations Manager

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1. Duties and responsibilities of the Board (Cont'd)

(c) Oversee Business Operations and Performance Tracking (Cont'd)

The principal responsibilities of the Key Senior Management are as follows:-

- Developing, co-ordinating and implementing business and corporate strategies for the approval of the Board
- Implementing the policies and decisions of the Board
- Overseeing the day-to-day operations of the Group
- To participate in various management committees or working committees for the effective discharge of duties and functions

The Board monitors the performance of Management on a regular basis vide insertion of relevant agenda items in the Board Meetings and/or Board Committees Meetings.

Relevant member(s) of the Key Senior Management will be invited to attend the Board and/or Board Committees Meetings to advise and update the Board and/or Board Committees with information, reports, clarifications on the relevant agenda items to be tabled to the Board and/or Board Committees, to keep the Board and/or Board Committees abreast of the latest business activities and development of the Group.

As a matter of Group governance practice, the Key Senior Management shall brief the Board on the operational performance of the Group which includes key strategic initiatives, significant operational issues and challenges faced by the Management.

Meanwhile, the CFO would present his reports on the financial performance and financial highlights of the Group on a quarterly basis.

(d) Framework of Internal Controls and Risk Management

The Board had established a risk management and internal control ("RMIC") framework for the Group to facilitate proper conduct of the Group's businesses. The Board had also established key control processes to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.

The Board has also established a risk management function which has been delegated to the ARMC to oversee the Group's risk management framework and policies.

The key features of the risk management framework and internal control system of the Group are disclosed in the Statement on Risk Management and Internal Control in 2023 Annual Report.

(e) Identification of Principal Risks and Implementation of Appropriate Internal Control and Mitigation Measures

A critical function of the Board has always been to understand and mitigate business risks.

The Board also noted that it should be more pro-active in anticipating and addressing material ESG risks and opportunities.

The ARMC was formed to assist the Board in managing the risk exposure of the Group, supported by the Risk Management Working Group ("RMWG") in order to achieve its business objective.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1. Duties and responsibilities of the Board (Cont'd)

(e) Identification of Principal Risks and Implementation of Appropriate Internal Control and Mitigation Measures (Cont'd)

Risk Management Working Group

Name	Designation	Membership
Ms. Lucille Teoh Soo Lien	MD	Chairperson
Mr. Beh Le Hao	ED	Member
Mr. Lai Jian Hong	CFO	Member
Mr. Beh Koon Chiew	General Manager	Member
Mr. Ramesh A/L Muniundy	Operations Manager	Member
Mr. Mohamad Huzaifah Bin Shaharuddin	QA Manager	Member
Ms. Aishah Tan Binti Abdullah	Purchasing Manager	Member
Ms. Packiam A/P Ramasamy	HR Manager	Member

The RMWG has been established during FYE 2023 and is responsible to perform risk identification, risk evaluation and make relevant recommendations for risk mitigation for the Group.

The RMWG monitors the movement of the risk ratings and alerts the ARMC directly whenever there is new significant risks discovered. The ARMC in turn, reports directly the Board.

(f) Succession Planning and Continuing Development

The Board, through the NC, is responsible for the succession planning of the Directors of the Company and the Group.

The Board has adopted the Succession Planning Policy for the Group to ensure the Group's continuity in leadership for all key positions.

The Key Senior Management personnel are required to attend continuing development programmes to ensure that they are equipped with necessary skills and knowledge which are relevant to perform their work.

(g) Procedures for Effective Communication with Stakeholders

In ensuring effective communication with the Company's shareholders and stakeholders, the Board has adopted a Corporate Disclosure Policy which includes, inter alia, an Investor Relations ("IR") section that serves as a guidance for the Board to oversee the development of effective IR programmes and strategies to communicate the corporate vision and mission, strategies, development, financial plans and prospects to the investors, financial community and other stakeholders accurately and to obtain feedback from the stakeholders.

(h) Integrity of Financial and Non-Financial Reporting

The Board ensures that shareholders are presented with a quality, clear, balanced, meaningful assessment of the Company's financial performance and prospects through the issuance of the audited financial statements, quarterly announcements of financial results and vide announcements on significant development of the corporate proposals in accordance with the ACE LR on a timely basis and in compliance with the applicable financial reporting standards and corporate law.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

2. Key Responsibilities of the Board Chairman

En. Mohamad Ismail Bin Abu Bakar (“**En. Mohamad Ismail**”) is the Chairman of the Board and his key responsibilities as a Chairman, include but not limited to the following:-

- (a) Demonstrates leadership for the Board in discharging its duties and responsibilities effectively.
- (b) Reviews and endorses the agenda of the Board meeting prior to the issuance of the same to the other Directors, for each scheduled Board meeting.
- (c) Ensures that the notice of the Board meeting be issued at least seven (7) business days prior to the meeting, unless consent by all Directors on a shorter notice.
- (d) Leads the conduct of the Board meetings and initiates discussion within the Board.
- (e) Stimulates participation and sharing of views and ideas from different perspectives by the Directors and ensures all views are taken into consideration during the decision-making process by the Board.
- (f) Acts as the intermediary between the Board and the Management by coordinating smooth communication flow between both parties.
- (g) Acts as chair of the general meetings of the Company and commits to answering the queries from the shareholders.
- (h) Communicates the views from the stakeholders to the Board as a whole, for consideration or improvement, if any.
- (i) Leads the Board to ensure compliance with all relevant laws and regulations and to the best of their effort, promote and implement good governance practices within the organisation.

3. Separation of the Positions of the Board Chairman and Chief Executive Officer

The Board recognises the importance of having a clearly accepted division of power and responsibilities to ensure a balance of power and authority.

En. Mohamad Ismail, as the Independent Non-Executive Chairman, provides strong leadership and objective judgement with regards to ensuring the adequacy and effectiveness of the Board’s governance process during his tenure with DS Sigma.

Whereas Ms. Lucille Teoh, the MD to ensure the effective implementation of the Group’s business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

The Board is of the view that the separation of the positions of the Chairman of the Board and the MD together with the INEDs, provides further assurance that there is a balance of power and authority in the Company and effective stewardship of the Group in terms of strategies and business performance.

The roles of the Chairman of the Board and the MD are clearly demarcated and defined in the Board Charter of the Company and is available for viewing under the “Corporate Governance” section of the Company’s corporate website at <http://www.dssigma.com.my>.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

4. Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Chua Siew Chuan, FCIS
- Mr. Cheng Chia Ping, ACIS

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“**MAICSA**”) and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (“**CA 2016**”).

All Directors have direct access to the advice and support of the Company Secretaries in relation to Board policies and procedures, compliance of applicable rules and regulations by the Group and corporate governance related practices.

The main roles and responsibilities of the Company Secretaries, include but not limited to the following:-

- (a) Co-ordinate with Management on the logistics of all Board and Committee meetings, attend the Board and Committee meetings and record the minutes of the meetings accordingly.
- (b) Ensure timely communication of the decision of the Board or Committee to be conveyed to the relevant parties and whether any follow-up actions are required.
- (c) Advise the Board on its roles and responsibilities, particularly the additional or changes in obligations arising from the implementation of the new laws and regulations or any amendments thereof.
- (d) Provide advisory assistance to the new Director(s) appointed to the Board.
- (e) Identify relevant training and development programmes for the Directors, based on the training needs determined by the NC for the particular financial year.
- (f) Advise the Board on the requirements of corporate disclosures in accordance with the ACE LR for various corporate proposal, as well as compliance with the ACE LR, Capital Market and Services Act 2007 and the CA 2016.
- (g) Ensure that all the proceedings of the general meetings are in order and the general meetings are properly called and convened, record the minutes of the general meetings, as well as the discussion during the questions and answers session.
- (h) Identify the corporate governance initiatives which are applicable to the Group and highlight the same to the Board for consideration. Monitor the corporate governance practices, by proposing relevant agenda items to be included as recurring meeting agenda.
- (i) Advise the Board on corporate governance related matters.
- (j) Facilitate the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee’s review.

For FYE 2023, the Company Secretaries had attended the relevant continuous professional development programmes as required by MAICSA for practising company secretaries. Both the Company Secretaries possessed a valid Practising Certificate issued by MAICSA and Companies Commission of Malaysia for FYE 2023.

For FYE 2023, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its duties and functions.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

5. Timely Circulation of Meeting Materials

The Board fixes the annual meeting schedule by the end of every year. The annual meeting schedule, as soon as it has been confirmed by the Board, will be disseminated to the Management, for planning of works schedule a year ahead.

The notices of the scheduled Board Meetings are served to the Directors at least five (5) business days prior to the Board Meetings. Unless there is exceptional case for convening of Special Meeting of the Board to address emergency issue, shorter notice would be allowed with the consent of all Directors.

To leverage on the usage of technology, the Board papers are circulated to the Directors in electronic form via email prior to the Board Meetings, to allow the Directors to consider the relevant information.

The Board strives to circulate the Board papers at least seven (7) business days in advance of the meeting day in the FYE 2023.

A comprehensive meeting papers comprising background, matters arising, research, analysis, findings/updates, results, presentations, recommendations and any other relevant information is prepared and circulated in advance to enable the Board to make considerations, deliberations and decisions.

Subsequent to the Board Meetings, the minutes will be circulated to the Board for confirmation to ensure that deliberations and decisions of the Board are accurately recorded.

The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation are recorded in the minutes.

The Chairman of the Board Meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the CA 2016.

6. Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has adopted a Board Charter outlining the authority, responsibilities, membership and operation of the Board of the Group's, adopting principles of good corporate governance and practices, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-

- Role of Board;
- Relationship with Management;
- Responsibilities of the Board;
- Matters reserved for the Board; and
- Structure of the Board.

The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

The Board Committees in performing their responsibilities delegated by the Board would be guided by the Terms of Reference of each of the Committees as approved by the Board.

The Board Charter is to be regularly reviewed by the Board as and when required.

The latest Board Charter is available for viewing under the "Investors" section of the Company's corporate website at <http://www.dssigma.com.my>

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

7. Directors' Fit and Proper Policy

The Board had adopted a Directors' Fit and Proper Policy ("**Policy**") which is in line with the ACE LR. The Board believes that it is in the best interest of the Company and its stakeholders that its Directors have the required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries. This Policy forms part of the established and approved policy and procedures on nomination and appointment of Director and re-appointment of Director.

The scope of the Policy applies to existing Directors of the Company and its subsidiaries who are seeking for re-appointment and re-election and candidates for nomination or appointment as a Director.

The NC and the Board shall be guided by the following four (4) criteria while evaluating the appointment, re-election or re-appointment of the candidates/ directors, whichever applicable:-

- (a) Probity, personal integrity and reputation;
- (b) Financial integrity.
- (c) Experience and competence; and
- (d) Time and commitment.

The NC and the Board had been guided by the said Policy in evaluating and considering the re-election of Ms. Lucille Teoh, Mr. Lee Yew Weng and Puan Maznida as the Directors of the Company ("**Retiring Directors**") at the forthcoming Second Annual General Meeting of the Company ("**2nd AGM**").

The Retiring Directors had executed the Directors' Fit and Proper Declaration Form.

Upon evaluation, the NC and the Board are satisfied with the declaration made by the Retiring Directors and recommended the re-election of the Retiring Directors to the shareholders for approval at the forthcoming 2nd AGM.

The Policy is available for viewing under the "Investors" section of the Company's corporate website at <http://www.dssigma.com.my>

8. Code of Ethics and Conduct

In compliance with Practice 3.1 of the MCCG, the Board has established a Code of Ethics and Conduct ("**the Code**") in order to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group and to provide guidance to ensure upholding of the ethical conduct in the Board practices and/or employees daily work.

The Code sets forth the values, expectations and standards of business ethics and conduct to guide the Board, the Management and employees of the Group.

The guiding principles of the Code are as follows:-

- (i) Show respect in the workplace:-
 - Equal Opportunity
 - Anti-Harassment
 - Human Rights
 - Ensuring Workplace Health and Safety
 - Protection of Privacy
 - Use of Company's Assets with Due Care
 - Leading by Example
 - Continuous Training and Development

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

8. Code of Ethics and Conduct (Cont'd)

The guiding principles of the Code are as follows (Cont'd):-

- (ii) Act with integrity in the marketplace:-
 - Ensuring Products' Quality, Safety and Reliability
 - Responsible Sales and Marketing Practices
 - DS Sigma's Customers
 - DS Sigma's Suppliers
 - Community Involvement
 - Environmental-Friendly Practices
- (iii) Ensure ethics in business relationships:-
 - Conflict of Interest
 - Anti-Corruption
 - Anti-Money Laundering
 - Insider Trading
- (iv) Ensure effective communication:-
 - Corporate Disclosure
 - Spokesman
 - Whistleblowing

The Code will be reviewed on biennially basis or as and when required.

Handling of Reported Allegation(s)

The ARMC is responsible for the interpretation and supervision of the enforcement of the Code. The action to be taken by the Group in response to a report of concern under the Code will depend on the nature of the concern. The ARMC upon receiving the information on each report of concern shall ensure that follow-up actions be taken accordingly.

The Code is available for viewing under the "Investors" section of the Company's corporate website at <http://www.dssigma.com.my>

9. Whistleblowing Procedures

As recommended under Practice 3.2 of the MCCG, the Board has adopted a full-fledged Whistleblowing Policy.

The Board recognises whistleblowing as a specific means by which an employee/officer or stakeholder can reports or discloses through established channels, the concerns about any violations of the Code, unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future.

The ARMC has been tasked with the review of whistleblowing reports either made through the Company following established communication and feedback channels or through any other means.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

9. Whistleblowing Procedures (Cont'd)

Anyone with genuine concerns in relation to unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements may forward his report to the designated persons as provided below (where applicable):-

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated persons:-
ARMC Chairman - Mr. Lee Yew Weng at email address: ac.chairman@dssigma.com.my
For employment-related concerns, one can report directly to the following designated persons:-
(1) ED - Mr. Beh Seng Lee
(2) Human Resources Manager - Ms. Packiam A/P Ramasamy at email address: pakia@daisuwon.com.my
For any concerns from the shareholders/stakeholders, one can email to the following designated Director:-
Board Chairman - En. Mohamad Ismail at email address: bod.chairman@dssigma.com.my

For FYE 2023, none of the designated persons received any report or concerns vide the abovementioned communication and feedback channels.

10. Anti-Bribery and Corruption Policy ("ABC Policy")

The Board had adopted Anti-Bribery and Corruption Policy to prevent corrupt practices and to provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Board encourages the use of the Group's whistleblowing channel in relation to any suspected corruption incidents or inadequacies in the anti-bribery and corruption programme.

Subsequently, with the recommendation from the ARMC, the Board has also nominated the following senior management personnel as the Compliance Officers, to monitor the adequacy and operating effectiveness of the ABC Policy and tasked to review its implementation on a regular basis, including its suitability, adequacy and effectiveness:-

Name	Designation
Mr. Beh Seng Lee/ Beh Le Hao	ED

11. Trainings Attended in relation to Sustainability Issues

The Board, through the NC, assesses the training programmes attended by each Director during the FYE 2023 to ensure that the Directors had and will continue to constantly keep abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.

The Key Senior Management of the Company had attended the following sustainability-related trainings in order to keep abreast with the development in the sustainability issues as well as the ESG.

Description of Training Programmes in relation to Sustainability
Navigating ESG Priorities and Enhanced Sustainability Disclosures

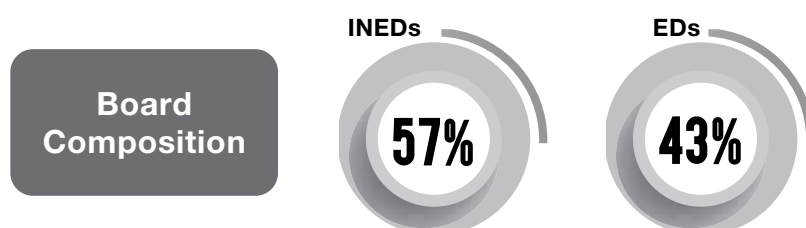
Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

1. Size and Composition of the Board

For FYE 2023, the Board comprises seven (7) members, four (4) of whom or 57% are INEDs and three (3) or 43% are EDs which is in compliance with the Rule 15.02(1) of the ACE LR, as well as Practice 5.2 of the MCCG.



The current Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at board level will ensure impartiality.

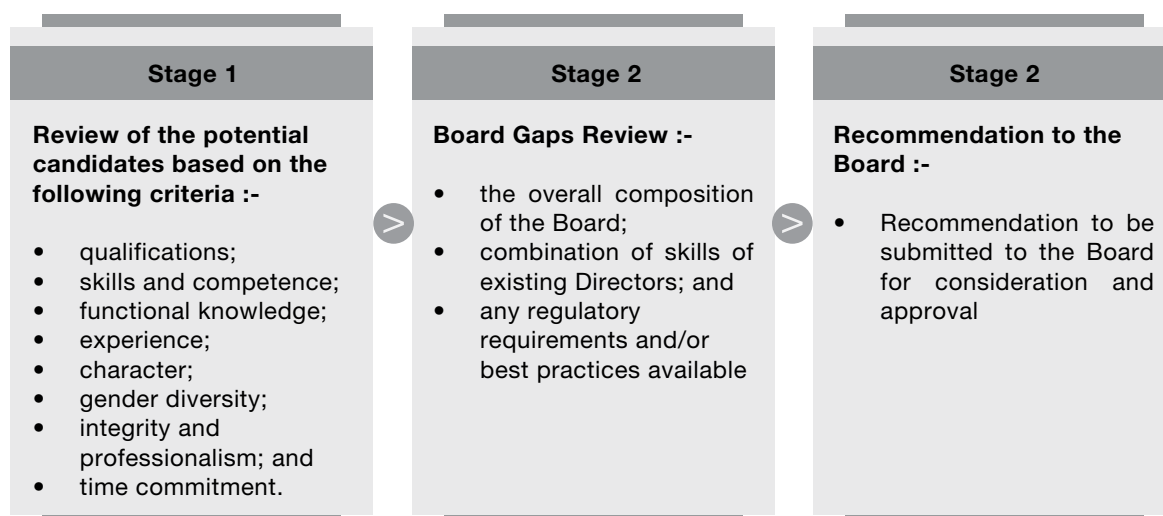
2. Tenure of Independent Directors

The roles of the Independent Directors are particularly important in ensuring that the strategies proposed by the EDs and Management are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

However, an independent director may continue to serve the Board subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as independent after a cumulative term of nine (9) years, justifications from the Board and shareholders' approval at a general meeting are required.

3. Procedures for Appointment of Directors

The NC has adopted the following protocol for appointment of Directors in order to ensure that the Board has the right mix and skill to meet its needs and objectives:-



The Group Human Resources Function is responsible for selection and appointment of candidates for senior management position based on selection criteria which best matches the requirements of the open position. The selection criteria includes (but not limited to) diversity in skills, experience, age, cultural background and gender.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

4. Boardroom Diversity

The Board has adopted a Boardroom Diversity Policy to affirm its commitment to boardroom diversity as a truly diversified Board can enhance the Board's effectiveness and capacity with diversity of thoughts and perspectives.

For FYE 2023, the Board has indicated its commitment to boardroom diversity by the following appointments:-

Ethnicity Diversity

En. Mohammad Ismail and Puan Maznida, both INED of Malay ethnicity, have been elected as the Board Chairman and Chair of NC, respectively.

Age Diversity

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

The age profile of the Directors is ranging from twenties (20) to sixties (60) years of age. With an average age of 50, it underlies the Board's commitment to age diversity at the Board level appointment.

Gender Diversity

For FYE 2023, the Board comprises two (2) female Directors, equivalent to 29% women representation on Board, which is fairly close to the 30% as envisaged in Practice 5.9 of MCCG.

The Board affirmed that in the event any Board seat becomes available, gender diversity shall be one of the criteria to be considered by the NC during their evaluation process of potential candidate(s) for Board's membership.

5. Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist it in discharging its fiduciary duties. All the Board Committees operate within clearly defined Terms of Reference.

- **NC**

The NC is chaired by Puan Maznida, INED of the Board.

The Chairperson of the NC led the NC in overseeing the implementation of the Succession Planning Policy for the Group.

The Chairman of the NC is responsible to lead the NC to carry out annual review of effectiveness of the Board as a whole, and the Board Committees, as well as the contribution and performance of each individual Director.

For the FYE 2023, the NC comprises exclusively of INEDs and the composition of the NC is as follows:-

Name	Designation	Directorate
Puan Maznida	Chairperson	INED
Mr. Lee Yew Weng	Member	INED
Mr. Loo Hee Guan	Member	INED

The NC is governed by its Terms of Reference of NC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investors" section of the Company's corporate website at <http://www.dssigma.com.my>.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5. Board Committees (Cont'd)

- **NC (Cont'd)**

a) Summary of Works

The following works were undertaken by the NC during FYE 2023:-

- (i) Reviewed and confirmed the minutes of the preceding NC meeting.
- (ii) Examined the composition of the Board and Board Committees.
- (iii) Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board.
- (iv) Reviewed the meetings attendance of the Board and Board Committees for FYE 2023 and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
- (v) Evaluated the contribution and performance of each individual Director.
- (vi) Assessed the effectiveness of the Board as a whole and the Board Committees.
- (vii) Reviewed the term of office of the AC and assessed its effectiveness as a whole.
- (viii) Reviewed the length of service of each INED.
- (ix) Reviewed the independence of the INEDs and assessed their ability to bring independent and objective judgement to Board deliberations and proposals.
- (x) Reviewed the training programmes attended by the Directors in year 2023 and identified the training needs of the Directors for financial year ending 30 June 2024 ("FYE 2024").
- (xi) Assessed the fit and properness and suitability of the Director(s) who will be standing for re-election at the forthcoming 2nd AGM of the Company and recommended the same to the Board for approval.

b) Time Commitment by Directors

The NC has been tasked to review the meeting attendance of the Board and Board Committees.

The meeting attendance of the Board and Board Committees during FYE 2023 was as follows:-

Board Meetings

Name of Directors	Number of Meetings Attended/Held	%
En. Mohamad Ismail (<i>Chairman</i>)	3/3	100.00
Ms. Lucille Teoh	3/3	100.00
Mr. Beh Seng Lee	3/3	100.00
Mr. Beh Le Hao	3/3	100.00
Mr. Lee Yew Weng	3/3	100.00
Mr. Loo Hee Guan	3/3	100.00
Puan Maznida	3/3	100.00

ARMC Meetings

Name of Directors	Number of Meetings Attended/Held	%
Mr. Lee Yew Weng (<i>Chairman</i>)	3/3	100.00
Mr. Loo Hee Guan	3/3	100.00
Puan Maznida	3/3	100.00

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5. Board Committees (Cont'd)

• NC (Cont'd)

b) Time Commitment by Directors (Cont'd)

The meeting attendance of the Board and Board Committees during FYE 2023 was as follows (Cont'd):-

NC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Puan Maznida (<i>Chairperson</i>)	1/1	100.00
Mr. Lee Yew Weng	1/1	100.00
Mr. Loo Hee Guan	1/1	100.00

RC Meeting

Name of Directors	Number of Meetings Attended/Held	%
Mr. Loo Hee Guan (<i>Chairman</i>)	1/1	100.00
Puan Maznida	1/1	100.00
Mr. Lee Yew Weng	1/1	100.00

The attendance of AC Meetings held during FYE 2023 is stated in the AC Report in this 2023 Annual Report.

Upon review, the NC noted the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2023.

c) Continuing Education and Training of Directors

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme as prescribed by the ACE LR within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve; and
- The Directors are briefed by the company secretaries on the letters issued by regulatory bodies at each quarterly Board Meeting.

All members of the Board had attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

Corporate Governance Overview Statement
(Cont'd)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION (CONT'D)****5. Board Committees (Cont'd)**

- NC (Cont'd)**

c) Continuing Education and Training of Directors (Cont'd)

Based on the training needs identified by the NC for the Directors as at 29 September 2023, the Directors had participated in the following training programmes:-

Dates	Description of Training Programmes
En. Mohamad Ismail	
24 February 2023	Directors' duties and responsibilities under CA 2016
Ms. Lucille Teoh	
24 February 2023	Directors' duties and responsibilities under CA 2016
Mr. Beh Seng Lee	
24 February 2023	Directors' duties and responsibilities under CA 2016
Mr. Beh Le Hao	
24 February 2023	Directors' duties and responsibilities under CA 2016
Mr. Lee Yew Weng	
28 September 2022	Common Pitfalls and Key Considerations in a Takeovers Code Transaction
28 October 2022	Listing Regime for Specialist Technology Companies (Consultation Paper)
24 February 2023	Directors' duties and responsibilities under CA 2016
Mr. Loo Hee Guan	
24 February 2023	Directors' duties and responsibilities under CA 2016
Puan Maznida	
29 November 2022	Conducting a Better AGM
24 February 2023	Directors' duties and responsibilities under CA 2016
28 February 2023	Power Talk Sustainability Series #1: Rebuilding the Board for Innovation
1 March 2023	MIA Digital Month 2023 - Week 3: Success Stories
8 March 2023	MIA Digital Month 2023 - Week 4: Digital Accountant: Digital Skills In A Transformed World
11 April 2023	Forum AI in Accounting: Threat or Opportunity?
6 June 2023	BAC Dialogue & Networking 2023
8 June 2023	Complimentary Webinar: Updates on Indirect Taxes
13 and 14 June 2023	MIA Conference 2023

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5. Board Committees (Cont'd)

- **NC (Cont'd)**

- c) **Continuing Education and Training of Directors (Cont'd)**

In addition, the Company Secretaries and external auditors update the Board on a regular basis the respective changes and amendments to regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

Upon review, the NC concluded that the directors' trainings during FYE 2023 were adequate.

2024 Training Needs of the Directors

During the Applicable Period, the NC had conducted a review of the training needs of the Directors for the FYE 2024. Upon review, the NC would encourage the Directors to attend more than one (1) continuing education programme in year 2024, whereby it should be in relation to the corporate governance, sustainability, or any other applicable topics which would aid in their discharge of fiduciary/ statutory duties as Directors.

- **RC**

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2023 are stated in Principle A, Section II Paragraph (9) of this CG Statement.

- **ARMC**

The membership of ARMC and a summary of the activities of the ARMC and Internal Audit Function and Activities in respect of the FYE 2023 are stated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

6. Annual Assessment on Effectiveness of Board and Individual Directors

In compliance with Practice 6.1 of the MCCG, the Board has delegated to the NC to carry out annual assessment on effectiveness of the Board, its Committees and each individual Director.

In FYE 2023, the Board, through the NC, had conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 2023:-

(i) **Directors' self and peers performance evaluation**

The evaluation forms were circulated to each and every Director for completion. The Directors are required to assess his/her own performance, as well as the performance of his/her peers based on the questionnaire provided. The evaluation results were compiled by the Company Secretaries and tabulated at the NC Meeting, for the NC's review.

In conducting the evaluation, the NC had assessed the performance of each individual Directors based on the following main criteria:-

- (i) Fit and properness;
- (ii) Contribution and performance; and
- (iii) Calibre and personality.

Based on the outcome of the evaluation conducted in year 2023, the NC is satisfied with the performance of the individual Directors for FYE 2023.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

6. Annual Assessment on Effectiveness of Board and Individual Directors (Cont'd)

(ii) Evaluation on the effectiveness of the Board and Board Committees

The evaluation forms were completed by the members of the NC on individual basis. The evaluation results were compiled by the Company Secretaries and tabulated at the NC Meeting, for the NC's review.

In conducting the evaluation, the NC had assessed the performance and effectiveness of the Board and Board Committees based on the following main criteria:-

Board as a whole

- (i) Board mix and composition;
- (ii) Quality of information and decision making;
- (iii) Boardroom activities;

Board Committees' Performance

- (i) Mix and composition;
- (ii) Roles and responsibilities;
- (iii) Contribution to Board's decision making; and
- (iv) Communication.

The NC was satisfied with the effectiveness of the Board and the Board Committees for FYE 2023, and acknowledged that the Board and the Board Committees have discharged their duties according to their respective Board Charter and Terms of Reference.

7. Annual Assessment on Independence of Directors

The Board, through the NC, carried out an annual assessment of the independence of the INEDs during FYE 2023.

The criteria used in assessing the independence of the INEDs are based on the definition under Rule 1.01 of the ACE LR and whether the INEDs are able to provide objective and independent views on various issues dealt with at Board and Board Committee level.

The NC had received assurance from the following INEDs vide their Letters of Declaration, confirming their independence and have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company:-

- Mr. Lee Yew Weng
- Mr. Loo Hee Guan
- Puan Maznida

Based on the outcome of the abovementioned assessment conducted by the NC for the FYE 2023, the Board was satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

The Board considers that its Independent Directors provide objective and independent views on various issues dealt with at the Board and Board Committee level. All INEDs are independent and free from management. The Board is of the view that the current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

8. Assessment on Retiring Directors

The NC is responsible for making recommendation to the Board on the eligibility of the Directors to stand for re-election at the AGM.

During FYE 2023, the NC conducted assessment on Ms. Lucille Teoh, Mr. Lee Yew Weng and Puan Maznida ("**Retiring Directors**") who would retire by rotation at the forthcoming 2nd AGM of the Company pursuant to Clause 21.6 of the Constitution of the Company, based on the following criteria:-

- Character;
- Experience;
- Integrity and professionalism;
- Time commitment to discharge his/her roles;
- Results from evaluation of individual director performance;
- Supply of relevant and timely information to the Board;
- Conduct of Board meetings and contribution to the Board;
- Adequacy of functional knowledge (for ED);
- Satisfactory independence test (for INEDs); and
- The Director's fitness and propriety with reference to the Directors' Fit and Proper Policy.

Upon review, the NC, being satisfied with the performance as well as the fit and proper of the Retiring Directors and recommended to the Board on their re-election at the 2nd AGM.

9. Remuneration Committee

The members of the RC comprise exclusively of INEDs and the composition of the RC is as follows:-

Name	Designation	Directorate
Mr. Loo Hee Guan	Chairman	INED
Mr. Lee Yew Weng	Member	INED
Puan Maznida	Member	INED

The RC is governed by its Terms of Reference of RC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investors" section of the Company's corporate website at <http://www.dssigma.com.my>.

Summary of Works

The following works were undertaken by the RC during the financial year under review:-

- Reviewed and confirmed the minutes of the preceding RC meetings held in year 2023.
- Deliberated on the remuneration package of the Executive Directors for FYE 2023 and recommended the same to the Board for approval.
- Reviewed the Directors' fees payable to the Directors of the company for the FYE 2024 and recommended the same for the Board for consideration.
- Reviewed the benefits payable to the Directors of the Company of up to RM40,000/- for the period from 1 July 2023 until the next AGM of the Company to be held in year 2024 and recommended the estimated quantum to the Board for consideration.
- Reviewed the remuneration package of the top five (5) key senior management of the Group for FYE 2023.

Corporate Governance Overview Statement
(Cont'd)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****III. REMUNERATION****1. Directors' and Senior Management's Remuneration Policy**

In compliance with Practice 7.1 of the MCCG, the Board had adopted a Directors' and Senior Management's Remuneration Policy which sets out the criteria to be used in recommending the remuneration package of Directors and senior management, and designed to ensure that the Directors and senior management are paid a remuneration commensurate with the responsibilities of their positions.

The RC, when recommending the remuneration package of the EDs and senior management, shall be guided by the main components and procedures provided in the Directors' and Senior Management's Remuneration Policy.

A copy of the said policy is available for viewing under the "Investor" section of the Company's corporate website at <http://www.dssigma.com.my>.

It is the existing practice of the Company that all the Directors to abstain from deliberation and voting on fixing their remuneration package or Directors' fee at the RC Meeting (where relevant) and the Board meeting.

2. Remuneration of Directors

In compliance with Practice 8.1 of the MCCG, there is detailed disclosure on named basis for the remuneration of individual Directors.

For the FYE 2023, the aggregate of remuneration received and receivable by the EDs and INEDs of the Group and the Company, respectively, categorised into appropriate components are as follows:-

Received from the Group

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
Independent Non-Executive Directors							
En. Mohamad Ismail	48	-	-	-	-	-	48
Mr. Lee Yew Weng	36	4	-	-	-	-	40
Mr. Loo Hee Guan	36	4	-	-	-	-	40
Puan Maznida	36	4	-	-	-	-	40
Managing Director							
Ms. Lucille Teoh	-	-	3,000	-	-	552	3,552
Executive Directors							
Mr. Beh Seng Lee	-	-	3,000	-	-	552	3,552
Mr. Beh Le Hao	-	-	135	-	-	27	162

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

2. Remuneration of Directors (Cont'd)

Received from the Company

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in-kind RM'000	Other emoluments RM'000	Total RM'000
Independent Non-Executive Directors							
En. Mohamad Ismail	48	-	-	-	-	-	48
Mr. Lee Yew Weng	36	4	-	-	-	-	40
Mr. Loo Hee Guan	36	4	-	-	-	-	40
Puan Maznida	36	4	-	-	-	-	40

3. Remuneration of top five (5) senior management

In accordance with Practice 8.2 of the MCCG 2021, a band of the remuneration for the top five senior management (excluding the Managing Director of the Company), during FYE 2023 were as follows:-

Band (in RM per annum)	No. of Senior Management
RM250,001 to RM300,000	1
RM200,001 to RM250,000	1
RM150,001 to RM200,000	3
Total	5

Whilst for the remaining senior management, the Board opined that such disclosure would have adverse effect on the Company's talent retention in the competitive industry. All senior management are remunerated based on their scope of duties and responsibilities, the Group's and individual performance and other criteria as guided by the Directors' and Senior Management's Remuneration Policy.

The RC had at its meeting held in May 2023, reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2023.

The RC is of the view that the level of remuneration package of the top five (5) senior managements in respect of FYE 2023 was fair and reasonable to retain and reward the talents and is competitive in the relevant market and industry.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

1. Separation of the Positions of the Chair of the ARMC and Board

In compliance with Practice 9.1 of the MCCG, the ARMC is chaired by Mr. Lee Yew Weng, which is a separate person from the chair of the Board.

The membership, a summary of the activities of the ARMC and Internal Audit Function and Activities in respect of FYE 2023 are stated in the ARMC Report of this Annual Report.

2. No Appointment of Former Key Audit Partners as Member of ARMC

In compliance with Practice 9.2 of the MCCG, the Terms of Reference of the ARMC had been revised which requires a former key audit partner to observe a cooling-off period to at least three (3) years before being appointed as a member of the AC.

As a matter of practice, the ARMC has recommended to the NC not to consider any key audit partner as a potential candidate for Board Directorship/ARMC member to affirm the ARMC's stand on such policy.

3. Assessment on External Auditors

In compliance with Practice 9.3 of the MCCG, the ARMC has policies and procedures to assess the suitability, objectivity and independence of external auditors and that such assessment would be carried out annually. The outcome of the assessment would form a basis for the ARMC in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.

The Board had adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditors of the Company.

During FYE 2023, the ARMC carried out the annual assessment and in its assessment, the ARMC considered, inter alia, the following factors:-

For “**suitability**” assessment:-

- The external auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- To the knowledge of the ARMC, the external auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants (“**MIA**”) which has not been reserved by the Disciplinary Board of MIA;
- The external auditors have the geographical coverage required to audit the Group;
- The external auditors advise the ARMC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;
- The external auditors consistently meet the deadlines set by the Group;
- The level of quality control procedures in the external audit firm, including the audit review procedures; and
- The external auditors' scope is adequate to cover the key financial and operational risks of the Group.

For “**objectivity**” assessment:-

- The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. ARMC (CONT'D)

3. Assessment on External Auditors (Cont'd)

During FYE 2023, the ARMC carried out the annual assessment and in its assessment, the ARMC considered, inter alia, the following factors (Cont'd):-

For “**independence**” assessment:-

- The engagement partner has not served for a continuous period of more than five (5) years with the Company;
- The ARMC receives written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
- Tenure of the current auditors.

The ARMC noted for the FYE 2023, Grant Thornton Malaysia PLT, the external auditors of the Company had confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent in accordance with the terms of relevant professional and regulatory requirements, for the purpose of the audits.

Upon completion of its assessment, the ARMC was satisfied with Grant Thornton Malaysia PLT’s technical competency, i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Grant Thornton Malaysia PLT as external auditors for the FYE 2024. The Board has in turn, recommended the same for shareholders’ approval at the forthcoming 2nd AGM of the Company.

4. Skillsets of ARMC

The ARMC conducts evaluation annually to assess the performance and skillsets of the ARMC members.

During FYE 2023, the ARMC members had completed the assessment on individual basis and the results were compiled by the Company Secretaries and tabled for the NC’s review.

Based on the results of the assessment, the NC concluded that the ARMC members are financially literate and understand the Group’s business. The ARMC as a whole, has necessary skills and knowledge to discharge their duties.

The members of the ARMC had attended various continuous trainings and development programmes as detailed in Principle A, Section II, Paragraph (5)(c) in this Statement.

II. RISK MANAGEMENT AND INTERNAL CONTROL (“RMIC”) FRAMEWORK

1. Risk Management and Internal Control Framework

In compliance with Practice 10.1 of the MCCG, the Board has established a framework of RMIC for the Group. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework have been disclosed in the **Statement of Risk Management and Internal Control** of this 2023 Annual Report.

Risk Management

ARMC

In view of the optimal size of the board vis-a-vis its business operations, the oversight of the Risk Management function has been assumed by the ARMC. The Board has assigned the ARMC as the Board to oversee the Company’s risk management framework, function and policies.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL ("RMIC") FRAMEWORK (CONT'D)

1. Risk Management and Internal Control Framework (Cont'd)

Risk Management (Cont'd)

RMWG

During the FYE 2023, a RMWG headed by Managing Director has been established to assist the ARMC with the implementation aspect of the risk management function. The RMWG is responsible for implementing processes in identifying, evaluating, monitoring and reporting of risks and internal controls which arise from daily business activities of the Group. The RMWG reports directly to ARMC.

In FYE 2023, the risk profiles covering risk assessment, classification and risk ranking followed by action plans taken to mitigate the risks identified were presented to the ARMC for review in the ARMC meetings. The RMWG and ARMC met twice in FYE 2023.

The RMWG together with the operating units ensure timely resolution of outstanding issues and implementation of action plans that are to be carried out and completed within the reasonable timeframe to mitigate the risks level.

Internal Controls

The internal control system and processes were tested for effectiveness and efficiency during FYE 2023 by an independent outsourced internal audit service provider. The report of the internal audit was tabled for the ARMC's review and deliberations, and the audit findings will then be communicated to the Board.

For FYE 2023, premised on the written assurance provided by the MD and the CFO, the Board opined that the risk management and internal controls of the Group were effective and adequate.

2. Key Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control as set out in this 2023 Annual Report provides an overview of the state and features of risk management framework and internal control processes within the Group.

3. Internal Audit Function

The internal audit function of the Group is carried out by an outsourced service provider, GovernanceAdvisory.com Sdn. Bhd. ("GASB"). The outsourced internal auditors report directly to the ARMC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the Group's internal control system and processes.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL ("RMIC") FRAMEWORK (CONT'D)

3. Internal Audit Function (Cont'd)

The following matters (non-exhaustive), in relation to the internal audit function of the Group, are reserved matters for the ARMC:-

- (a) Consider the appointment of the internal auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors;
- (b) Review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings; and
- (c) Review any appraisal or assessment of the performance of members of the internal audit function.

During FYE 2023, the ARMC reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function of the Group for the FYE 2023 and the internal audit function performed by the internal auditors was satisfactory and adequate.

Further details of the Internal Audit Function have been disclosed under the ARMC Report of this 2023 Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

1. Communication with Stakeholders

In compliance with Practice 12.1 of the MCCG, the Board has developed an internal corporate disclosure practice to ensure effective communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Board has a Corporate Disclosure Policy in place to ensure only designated spokesmen will be authorised to disseminate information to ensure consistent and accurate flow of information disclosure to the stakeholders.

The Board has designated a limited number of spokespersons who are responsible for communication with investment community, regulators and media.

Primary Spokespersons:-

- (i) MD; or failing which,
- (ii) ED – Mr. Beh Seng Lee

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:-

(a) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.

Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at www.bursamalaysia.com.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

1. Communication with Stakeholders (Cont'd)

The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows (Cont'd):-

(b) Annual Reports

The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

(c) AGM/General Meetings

The AGM/General Meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.

(d) Corporate Website

The Company's corporate website provides a myriad of relevant information on the Company and is accessible by the public.

The Company has created dedicated sections to ensure more effective dissemination of information:-

- A dedicated "**Investors Relations – Corporate Governance & Meetings**" section which provides all relevant information on the Company and is accessible by the public. It includes the announcements made by the Company, Annual Reports, Terms of Reference for Board Committees and corporate policies of the Company.
- A dedicated "**Press Centre**" section which provides access to the press releases made by the Company, for ease of reference by the shareholders.

Publication of Notice of AGM on corporate website

Pursuant to Section 320(2) of CA 2016, a copy of the notice convening the 2nd AGM together with the proxy form are available at the corporate website of DS Sigma at <http://www.dssigma.com.my>.

(e) Investor Relations Activities

No investor relation activity was conducted for the Applicable Period.

II. CONDUCT OF GENERAL MEETINGS

(a) Notice of AGM

The Notice of the 2nd AGM will be issued at least 28 days prior to the meeting to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved.

In addition, the Company will be taking extra steps to also include explanatory notes to the ordinary business of the 2nd AGM, facilitating full understanding and evaluation of issues involved in the proposed resolutions.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

(b) Directors' Commitment

The upcoming 2nd AGM will be the first general meeting of the Company (in physical form) since listing on 6 January 2023.

All the Directors have expressed their intention to attend and participate in the upcoming 2nd AGM of the Company, in order to engage with the shareholders face-to-face and proactively.

The proceedings of the 2nd AGM shall include a presentation of financial statements to the shareholders, and a question-and-answer session where shareholders will be invited to raise questions before putting resolutions to vote.

The Board will ensure that sufficient opportunities are given to shareholders to raise questions relating to the resolution to be put for voting and adequate responses will be given.

The chairman of the Board Committees will also be readily available to address the questions posted by the shareholders at the upcoming 2nd AGM.

(c) Voting Format

Poll Voting

In line with the ACE LR, all resolutions set out in the Notice of the 2nd AGM will be put to vote by poll. An independent scrutineer will be appointed to validate the votes cast at the AGM.

Key CG future priorities for FYE 2024

Bursa Securities has on 26 September 2022 issued amendments to the ACE LR in relation to enhanced sustainability reporting framework as well as the updated sustainability reporting guide and toolkits ("**Enhanced Sustainability Disclosures**").

Taking cue from Bursa Securities' directives and emphasis, ESG adoption and sustainability disclosure shall remain the key CG priority of the Board for FYE 2024.

CONCLUSION

The Board is satisfied that, it complies substantially with the recommendations of the practices of the MCCG throughout FYE 2023.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board on 17 October 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT






The Board is pleased to present the Audit and Risk Management Committee (“ARMC”) Report to provide insights on the discharge of the ARMC’s functions during the FYE 2023, in compliance with Rule 15.15 of the ACE LR of Bursa Securities.

AUTHORITY

Pursuant to Section 15.0 of the Board Charter, the Board has established the ARMC to assist the Board in discharging its fiduciary and statutory duties and responsibilities relating to financial practices of the Group. In addition, the ARMC also assisted in fulfilling the Board’s stewardship accountability to its stakeholders. The ARMC is committed to its role in ensuring the integrity of the Group’s financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit process, and such other matters that may be specifically delegated to the ARMC by the Board.

Compliance Dashboard

The ARMC is pleased to provide below a snapshot of the key CG compliance by the ARMC for the FYE 2023:-

MCCG Practices	Applications by DS Sigma
Practice 9.1 Chairman of the Audit Committee is not Chairman of the Board	<div> <div>Chairman of the Board</div>  <div>En. Mohamad Ismail</div> </div> <div> <div>Chairman of the AC</div>  <div>Mr. Lee Yew Weng</div> </div>
Practice 9.2 Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s)	Incorporated in the Terms of Reference of ARMC
Practice 9.3 Policies & Procedures to assess the suitability, objectivity and independence of external auditors	External Auditors Policy & Procedures established
Step-up Practice 9.4 The Audit Committee comprises solely of independent directors	<ul style="list-style-type: none"> The ARMC comprises solely of three (3) INEDs 
Practice 9.5 Audit Committee members possess wide range of skills and financially-literate	<ul style="list-style-type: none"> ARMC members with diverse background, experience and skills, financially-literate and understand the financial reporting process 
Practice 11.1 Effective and independent internal audit function	<ul style="list-style-type: none"> Appointed outsourced independent internal auditors, GovernanceAdvisory.com Sdn. Bhd. (“GASB”) to review the Group’s internal control system 

Audit and Risk Management Committee Report (Cont'd)

COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors which satisfied the requirement under Step-Up Practice 9.4 of the MCCG. All of the members of the ARMC also satisfied the test of independence under the ACE LR and met the requirements of the MCCG.

The current composition of the ARMC is as follows:-

Name	Designation	Directorate
Mr. Lee Yew Weng	Chairman	INED
Puan Maznida	Member	INED
Mr. Loo Hee Guan	Member	INED

The Chairman of the ARMC, Mr. Lee Yew Weng ("**Mr. Lee YW**") is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the ACE LR. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairman of the ARMC is not the Chairman of the Board and none of three members are alternate directors.

In addition, Mr. Lee YW, is a member of the Certified Practising Accountants Australia since 2003 as well as a member of the Malaysian Institute of Accountants (MIA). In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR.

The Company acknowledges the importance of upholding independency with the external auditors and that should be no possible conflict of interest that may arise at any point of time. None of the members of the ARMC were former audit partners of the External Auditors appointed by the Group. Nonetheless, the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was an audit partner of the external auditors of the Group.

Assessment on the Term of Office and Performance of the ARMC

The Nomination Committee ("**NC**") had reviewed the term of office and performance of the ARMC as well as whether its members have carried out their duties in accordance with the Terms of Reference ("**TOR**") of ARMC for the FYE 2023.

Upon review, the NC is satisfied with the overall performance of the ARMC and its individual members for FYE 2023. The NC had reported the outcome of assessment to the Board for notation.

Formal assessment on the External Auditors

In compliance with Practice 9.3 of the MCCG, the ARMC has adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditors ("**the EA Policy**") on annual basis. The EA Policy serves as a guidance for the ARMC when making recommendation to the Board on whether to seek shareholders' approval at next AGM for the re-appointment of external auditors for the ensuing year.

The EA Policy sets out the criteria in which the ARMC would consider in assessing the suitability, objectivity and independence of the external auditors:-

- Fees;
- Competence, audit quality and resource capacity;
- Independence;
- Non-audit services, if any;
- Issues of material significance or matters of disagreement with the Management, if any; and
- Past performance and disciplinary records.

The EA Policy also spells out the approval process for the non-audit services rendered by the external auditors or its affiliates, together with the necessary measures to ensure that the objectivity and independence of the external auditors is not impaired.

Upon assessment, the ARMC is satisfied with Grant Thornton Malaysia PLT's technical competency, i.e. effectiveness, suitability and independence during the financial year under review and has recommended to the Board for the re-appointment of Grant Thornton Malaysia PLT as the external auditors of the Company for FYE 2023. The Board, thereafter, has recommended the same for shareholders' approval at the forthcoming 2nd AGM of the Company.

Audit and Risk Management Committee Report (Cont'd)

MEETINGS AND ATTENDANCES

Since listing on 6 January 2023, the ARMC held a total of three (3) meetings during the FYE 2023 and the attendance of the members during the financial year under review were as below:-

Members	Total no. of meetings attended	Total no. of meetings held during tenure of office	%
Mr. Lee Yew Weng	3	3	100.00
Puan Maznida	3	3	100.00
Mr. Loo Hee Guan	3	3	100.00

The lead audit partner of the external auditors responsible for the Group had attended one (1) ARMC meeting held in FYE 2023.

The external auditors were encouraged to raise to the ARMC, any matters they considered important to bring to the ARMC's attention. For FYE 2023, one (1) private session was held between the ARMC with the external auditors without the presence of the Executive Board members and management personnel.

The Chairman of the ARMC also sought information on the communication flow between the external auditors and the Management which is necessary to allow unrestricted access to information for the external auditors to effectively perform their duties.

Notices of the ARMC meeting were sent to the members of ARMC at least seven (7) days in advance. Upon that, the Company Secretaries would then compile the relevant meeting papers and, disseminate the electronic copy and/or hardcopy to the members of the ARMC prior to the commencement of the ARMC meetings.

All deliberations during the ARMC Meetings were duly minuted by the Company Secretary in attendance. Minutes of the ARMC Meetings were tabled for confirmation at every succeeding ARMC Meeting.

The Chairman of the ARMC presented the ARMC's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of the ARMC would convey to the Board, matters of significant concern raised by the internal and external auditors.

TERMS OF REFERENCE

The authority, duties and responsibilities of the ARMC are set out in its TOR. It is available for viewing under "Investor Relations" section of the Company's website at <https://www.dssigma.com.my/>.

SUMMARY OF WORKS

Since listing on 6 January 2023, and up to 30 June 2023, the summary of works carried out by the ARMC were as follows:-

1. Overview of Financial Performance and Reporting

- Reviewed the Group's unaudited quarterly financial results before recommending the same to the Board for approval and release to Bursa Securities.
- Reviewed the annual budget of the Group for FYE 2024 and deliberated on the underlying assumptions made by the Management in preparing the annual budget, and recommended the same to the Board for approval and adoption.
- Reviewed the financial performance and financial highlights of the Group on quarterly basis.
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR on quarterly basis.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.

Audit and Risk Management Committee Report

(Cont'd)

SUMMARY OF WORKS (CONT'D)

2. Oversight of External Auditors

- Reviewed the audit planning memorandum for the FYE 2023 prepared by the external auditors, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group.
- Met with the external auditors without the presence of the Executive Directors and management personnel to provide external auditors with an avenue to express any concerns they may have, including those relating to their ability to perform their work without interference by Management.
- Reviewed the effectiveness, suitability and independence of the external auditors vide a formalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval.
- Reviewed and discussed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2023, including any significant issues and concerns arising from the audit.
- Reviewed the statutory audit fees for the FYE 2023 and recommended the same for the Board's approval.

3. Oversight of Internal Audit Function

- Reviewed the internal audit report for the FYE 2023 and assessed the internal auditors' findings and the management's responses and made the necessary recommendations to the Board for approval.
- Reviewed the progress updates on the follow-up review of the previous internal audit report.
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function in respect of FYE 2023.

4. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the ARMC Meetings.
- Reviewed the disclosures in ARMC Report, Additional Compliance Information, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement for inclusion in the Annual Report in respect of the FYE 2023.

5. Review of Related Party Transactions

- Reviewed the related party transactions and conflict of interest situation that arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

6. Oversight of Risk Management Function

- Reviewed the RMIC Framework of the Group to ensure the Group maintained a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks.
- Updates by Management in relation to the establishment of a Risk Management Working Group ("RMWG") headed by the Managing Director and comprising various heads of departments.
- Establish the frequency of reporting by the RMWG to the ARMC on the effectiveness of the Group's management of its business risks.

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF WORKS (CONT'D)

7. Sustainability Oversight

- Reviewed the implementation of the Group's sustainability-related strategies and initiatives.
- Monitored the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring and reporting of the Group's material economic, environmental and social risks and opportunities.
- Assisted the Board pertaining to disclosures in the Sustainability Statement for inclusion in the Company's Annual Report.

The Board is satisfied that the ARMC has carried out their responsibilities and duties in accordance with the ARMC's TOR.

INTERNAL AUDIT FUNCTION

(1) Internal Auditors

The internal audit function plays an important role to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For FYE 2023, the engagement team personnel from GASB, the outsourced internal auditors of the Company had affirmed to the ARMC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

(2) Summary of Works of the Internal Audit Function for the FYE 2023

During the FYE 2023, the summary of works undertaken by the internal auditors comprised the followings:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- Highlighted to the ARMC the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and
- Presentation of audit findings and corrective actions to be taken by the Management in the quarterly ARMC meetings.

Audit and Risk Management Committee Report (Cont'd)

INTERNAL AUDIT FUNCTION (CONT'D)

For FYE 2023, the following business processes or areas of the Group were reviewed by GASB in accordance with the approved audit plan:-

Audited Entity	Audit Area/ Function	Tabling of Internal Audit Report
Dai Suwon Manufacturing Sdn. Bhd.	<ul style="list-style-type: none"> Standard Operating Policies and Procedures 	Fourth Quarter of FYE 2023
Dai Suwon Packaging Sdn. Bhd.	<ul style="list-style-type: none"> Supplier Management 	
Kaisung Industries Sdn. Bhd.	<ul style="list-style-type: none"> Purchase Requisition and Approval 	

(3) Total costs incurred for the FYE 2023

The total cost incurred for the internal audit function of the Group for FYE 2023 amounted to RM16,000.00.

This ARMC Report is made in accordance with the Resolution passed by the Board on 17 October 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of DS Sigma Holdings Sdn Bhd (“**DS Sigma**”) and its subsidiary entities (“**the Group**”) is delighted to present our Statement on Risk Management & Internal Control. This statement is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) and recommendations of the Malaysian Code of Corporate Governance 2021 and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**the Guidelines**”). It outlines the extent and nature of the Group’s internal control and risk management efforts for the financial year ended 30 June 2023.

BOARD RESPONSIBILITIES

The Board maintains a clear understanding of its role in overseeing the Group’s risk management and internal control systems, which are vital to protect shareholders’ investments, uphold customer interests, and safeguard the Group’s assets. This responsibility encompasses a comprehensive evaluation of the system’s effectiveness, sufficiency and reliability.

In addition, the Board’s oversight of the internal control system extends across all subsidiaries of the Group. This system does not solely relate to financial controls but also encompasses operational and compliance controls. The Board’s commitment ensures a holistic approach to risk management and internal control that encompasses various facets of the Group’s operations.

To further assist the Board, the Audit and Risk Management Committee (“**ARMC**”) has been established. This committee assists the Board in recognising, evaluating, and overseeing significant risks. This includes the implementation of an appropriate internal control system to protect shareholders’ investments and the Group’s assets. The ARMC is supported by an internal audit function, which carries out regular evaluations of the Group’s internal control system to gauge its efficiency and effectiveness.

However, there are inherent limitations in any system of internal control system as it is designed to manage rather than to eliminate the risk of failure to meet the Group’s business objectives. As such, it can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management framework which encompasses the identification, assessment, and mitigation of substantial risks. The framework entailed the Group’s risk profile and is seamlessly integrated into our operational and business processes. Continuous monitoring and assessment of the effectiveness of our risk management efforts are carried out by management at all levels, ensuring a dynamic and ongoing process.

The key aspects of the risk management framework are:

1. **Risk Identification** - The objectives, processes, and related risks pertaining to the primary business activities of each division/department are identified.
2. **Risk Assessment** - Every risk undergoes a comprehensive evaluation encompassing both its likelihood and the potential impact on the Group. Likelihood is expressed as either the probability of a singular event or condition occurring, or as the frequency of occurrences for repeated events. On the other hand, impact entails an estimation of the severity of adverse consequences, encompassing both financial and non-financial, to the Group. The management has also created a risk register that aligns with this assessment, categorising the identified risks into high, medium, and low levels.
3. **Risk Management and Control** - Each Head of the Department bears the responsibility of overseeing and managing the risks inherent to their specific units. In addition, internal control policies and procedures have been implemented to ensure effective governance and risk management throughout the organisation.
4. **Risk Review and Reporting** - Risks are gathered and documented within the Risk Register, which serves as a tool for reporting and ongoing monitoring. The status of each risk is periodically reviewed and revised to ensure its accuracy and relevancy.
5. **Assurance and Execution of Internal Audit Plan** - An Annual Internal Audit Plan is formulated, outlining the specific risk areas that necessitate an audit review. Periodic internal audit engagements are then conducted to offer a reasonable level of assurance concerning the sufficiency and efficacy of the internal control system and risk management practices.

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL CONTROL SYSTEM

The Board acknowledges the crucial importance of a robust internal control system in ensuring the Group's business is managed effectively and efficiently. This approach is implemented in a top-down manner, with internal control principles permeating from the strategic management level all the way down to the foundational operational level.

INTERNAL AUDIT FUNCTION

The Board places significant importance on the Internal Audit function and has engaged an independent professional firm namely, GovernanceAdvisory.com Sdn Bhd., to conduct a thorough evaluation of the adequacy, efficiency, and effectiveness of the Group's internal control system.

The Internal Auditors performed audits based on the internal audit plan approved by the ARMC and directly reports to the ARMC during the ARMC meeting on a half-yearly basis. The findings of these audits were discussed with the Management before being presented to the ARMC. The ARMC, representing the Board, routinely examines internal control matters pinpointed and recommendations provided in both internal and external audit reports.

In the event that the internal audit reveals any internal control gaps and weaknesses for improvement, action plans has to be put in place by the Group to address such matters. Identified improvement opportunities are to be reported and discussed with ARMC prior to reporting to the Board. Action plans will be followed-up closely by the Management with improvement results to be tabulated at the next follow-up meeting.

REVIEW OF EFFECTIVENESS

The Managing Director and the Chief Financial Officer have assured the Board and ARMC that the Group's risk management processes and internal control measures were operating in an adequate and effective manner in all material aspects. They further confirmed that no significant losses were incurred due to any deficiencies in internal controls that would necessitate disclosure in this report.

The Board is of the view that the risk management and internal control systems have been established and operational for the current financial year, up to the point of approving this statement. These systems are deemed robust and adequate, effectively safeguarding shareholders' investments, the welfare of customers, regulators, employees, and the Group's assets. Nevertheless, the Board maintains a vigilant stance and persistently evaluates the efficacy and sufficiency of the risk management and internal control systems, recognising the ever evolving and dynamic nature of the business environment.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the External Auditors, Grant Thornton Malaysia PLT ("**GTM**"), has reviewed this statement. Their review procedures were performed in accordance with Audit and Assurance Practice Guide 3 ("**AAPG 3**") : *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require GTM to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on the procedures performed and evidence obtained, GTM have reported to the Board that nothing has come to their attention that causes them to believe that this statement included in this Annual Report, is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

Statement On Risk Management And Internal Control (Cont'd)

CONCLUSION

The Board asserts that the Group's risk management and internal control system has proven to be satisfactory and efficient for the financial year under assessment, up until the issuance of the financial statements. However, the Board acknowledges the importance of an ongoing evolution in the Group's risk management and internal control system, necessitated by the shifting business landscape. Consequently, the Board is committed to implement necessary action plans whenever required, aimed at augmenting the internal control system and risk management practices.

This statement is provided in adherence to the resolution passed by the Board of Directors on 17 October 2023.

DIRECTORS' RESPONSIBILITY STATEMENT FOR PREPARING THE FINANCIAL STATEMENTS

In accordance with the Companies Act 2016 and the applicable approved accounting standards, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position and the results and cash flows of the Group and of the Company for that financial year then ended.

The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations were made, they were based on reasonableness and prudence.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect frauds and other irregularities.

This Statement of Directors' Responsibility for preparing the financial statements is approved by the Board of Directors on 17 October 2023.



FINANCIAL STATEMENTS

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View Our Report Online

Our Annual Report, Accounts and other information about **DS SIGMA HOLDINGS BERHAD** can be found at <https://www.dssigma.com.my/>

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the Group's and the Company's principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit/(loss) for the financial year	8,164,225	(2,921,418)
Attributable to:- Owners of the Company	8,164,225	(2,921,418)

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

DIVIDENDS

On 29 August 2023, the Company declared first interim single tier dividend of 0.75 sen per ordinary share amounting to approximately RM3.6 million in respect of financial year ended 30 June 2023 and to be paid on 30 October 2023. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2024.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has issued ordinary shares pursuant to the followings:-

- 283,961,280 ordinary shares at an issue price of RM0.075 for total consideration of RM21,297,096 pursuant to acquisition of 100% equity interest in Dai Suwon Packaging Sdn. Bhd.;
- 62,608,000 ordinary shares at an issue price of RM0.075 for total consideration of RM4,695,600 pursuant to acquisition of 100% equity interest in Dai Suwon Manufacturing Sdn. Bhd.;
- 42,250,700 ordinary shares at an issue price of RM0.075 for total consideration of RM3,168,803 pursuant to acquisition of 100% equity interest in Kaisung Industries Sdn. Bhd.; and
- 91,180,000 ordinary shares at an issue price of RM0.55 for total consideration of RM50,149,000 pursuant to its Initial Public Offering exercise.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Directors' Report (Cont'd)

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:-

Beh Seng Lee *
Lucille Teoh Soo Lien *
Beh Le Hao *
Lee Yew Weng
Loo Hee Guan
Maznida Binti Mokhtar
Mohamad Ismail Bin Abu Bakar

* also Director of subsidiaries

The Director of the Company's subsidiaries who held office during the financial year and up to the date of this report other than those named above is:-

Loi Guak Lian (resigned on 6.4.2023)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and officers Company during the financial year.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests in the ordinary shares of the Company and its related corporations of those who were Directors at the end of the financial year are as follows:-

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
The Company				
<u>Direct interests</u>				
Beh Seng Lee	10	7,272,890	-	7,272,900
Lucille Teoh Soo Lien	-	28,453,900	-	28,453,900
Beh Le Hao	-	1,000,000	-	1,000,000
Lee Yew Weng	-	300,000	-	300,000
Loo Hee Guan	-	300,000	-	300,000
Maznida Binti Mokhtar	-	50,000	-	50,000
Mohamad Ismail Bin Abu Bakar	-	305,000	-	305,000
<u>Indirect interests</u>				
Beh Seng Lee *	-	293,042,900	-	293,042,900
Lucille Teoh Soo Lien ^	-	292,800,000	-	292,800,000

* deemed interests by virtue of his shares in DS Kaizen Sdn. Bhd. and close family member

^ deemed interests by virtue of her shares in DS Kaizen Sdn. Bhd.

By virtue of their substantial interests in the shares of the Company, Beh Seng Lee and Lucille Teoh Soo Lien are deemed to be interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS

During the financial year, the fees, remunerations and other benefits received and receivable by the Directors of the Company are as follows:-

	Group RM	Company RM
Directors' fee	156,000	156,000
Directors' remuneration and other benefits	7,278,008	12,000

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefit (other than as shown above and those disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transactions or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the result of operation of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 28 to the financial statements.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the Auditors and its member firms by the Group and the Company for the financial year ended 30 June 2023 amounted to RM149,800 and RM38,800 respectively. Further details are disclosed in Note 19 to the financial statements.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

.....)	
BEH SENG LEE)	
)	
)	
)	
)	
)	
)	DIRECTORS
)	
)	
)	
)	
.....)	
LUCILLE TEOH SOO LIEN		

Kuala Lumpur
17 October 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 83 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

.....
BEH SENG LEE

.....
LUCILLE TEOH SOO LIEN

Kuala Lumpur
17 October 2023

STATUTORY DECLARATION

I, Lai Jian Hong, being the Officer primarily responsible for the financial management of DS Sigma Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 83 to 125 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
17 October 2023)

.....
LAI JIAN HONG
(MIA NO.: 44728)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DS SIGMA HOLDINGS BERHAD

(Incorporated in Malaysia)

[Registration No: 202101030362 (1430662 - K)]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DS Sigma Holdings Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The risk – The Group's revenue arises from manufacturing of corrugated paper packaging products and supplying of protective packaging products. The magnitude and high volume of transactions may give rise to material misstatements in the timing and recognition of revenue.

Our responses – We tailored our procedures to ensure that revenue was recognised only when performance obligations are satisfied. Amongst other procedures, we have reviewed and tested the controls over the revenue recognition including evaluating the design and operating effectiveness of controls surrounding revenue cycle. We have also verified samples of revenue separately to supporting evidence including the sales invoices and delivery orders and performed cut-off test to ensure the revenue is recognised in the correct period.

The Group's disclosures regarding revenue recognition and revenue are included in Notes 3.9 and 18 to the financial statements.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Independent Auditors' Report
To The Members Of DS Sigma Holdings Berhad (Cont'd)
(Incorporated in Malaysia)
[Registration No: 202101030362 (1430662 - K)]

Report on the Audit of the Financial Statements (Cont'd)

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To The Members Of DS Sigma Holdings Berhad (Cont'd)
(Incorporated in Malaysia)
[Registration No: 202101030362 (1430662 - K)]

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We also (cont'd):

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LIM SOO SIM
(NO: 03335/11/2023 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
17 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	29,172,739	25,557,314	-	-
Investment in subsidiaries	5	-	-	29,161,499	-
Total non-current assets		29,172,739	25,557,314	29,161,499	-
Current assets					
Inventories	6	1,736,907	2,084,170	-	-
Trade receivables	7	11,762,127	18,759,071	-	-
Other receivables	8	1,442,304	2,072,455	-	-
Tax recoverable		195,531	-	-	-
Short term investments	9	9,122,479	-	-	-
Fixed deposits with a licensed bank		5,000,000	12,000,000	-	-
Cash and bank balances		66,325,894	19,020,947	45,213,378	2
Total current assets		95,585,242	53,936,643	45,213,378	2
Total assets		124,757,981	79,493,957	74,374,877	2
EQUITY AND LIABILITIES					
EQUITY					
Share capital	10	77,549,880	2,700,002	77,549,880	2
Merger deficit	11	(26,461,499)	-	-	-
Retained earnings/(accumulated losses)		55,753,953	44,776,272	(3,285,723)	(364,305)
Equity attributable to owners of the Company		106,842,334	47,476,274	74,264,157	(364,303)
Non-controlling interests	12	-	2,813,456	-	-
Total equity		106,842,334	50,289,730	74,264,157	(364,303)

Statements of Financial Position

As At 30 June 2023 (Cont'd)

	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	13	2,476,162	3,347,216	-	-
Borrowings	14	4,533,140	8,171,987	-	-
Deferred tax liabilities	15	1,786,829	1,327,300	-	-
Total non-current liabilities		8,796,131	12,846,503	-	-
Current liabilities					
Trade payables	16	5,275,366	8,543,764	-	-
Other payables	17	1,758,338	3,824,805	52,720	14,581
Amount due to a subsidiary	5	-	-	-	349,724
Lease liabilities	13	1,112,261	1,184,617	-	-
Borrowings	14	284,546	684,606	-	-
Tax payable		689,005	2,119,932	58,000	-
Total current liabilities		9,119,516	16,357,724	110,720	364,305
Total liabilities		17,915,647	29,204,227	110,720	364,305
Total equity and liabilities		124,757,981	79,493,957	74,374,877	2

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
Revenue	18	82,342,307	121,218,073	-	-
Cost of sales		(55,782,899)	(78,212,596)	-	-
Gross profit		26,559,408	43,005,477	-	-
Finance income		1,023,353	288,544	453,541	-
Other income		101,148	152,899	-	-
Selling and distribution expenses		(619,606)	(833,737)	-	-
Administrative expenses		(15,051,026)	(13,088,343)	(3,316,959)	(364,305)
Finance cost		(348,217)	(677,620)	-	-
Profit/(loss) before tax	19	11,665,060	28,847,220	(2,863,418)	(364,305)
Tax expense	20	(3,500,835)	(7,376,335)	(58,000)	-
Net profit/(loss)/total comprehensive income/(loss) for the financial year/period		8,164,225	21,470,885	(2,921,418)	(364,305)
Attributable to:-					
Owners of the Company		8,164,225	21,005,265		
Non-controlling interests		-	465,620		
		8,164,225	21,470,885		
Earnings per share attributable to owners of the Company (sen):-					
Basic and diluted	21	2.21	777.97		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group							
Balance at 1 July 2021		2,700,000	-	23,771,007	26,471,007	2,347,836	28,818,843
Transaction with owners of the Company							
- Issuance of new ordinary shares	10	2	-	-	2	-	2
Total comprehensive income for the financial year		-	-	21,005,265	21,005,265	465,620	21,470,885
Balance at 30 June 2022		2,700,002	-	44,776,272	47,476,274	2,813,456	50,289,730
Transactions with owners of the Company							
- Shares issued pursuant to acquisition of subsidiaries	10	26,461,499	(26,461,499)	2,813,456	2,813,456	(2,813,456)	-
- Shares issued pursuant to Initial Public Offering	10	50,149,000	-	-	50,149,000	-	50,149,000
- Shares issuance expenses	10	(1,760,621)	-	-	(1,760,621)	-	(1,760,621)
Total transactions with owners of the Company		74,849,878	(26,461,499)	2,813,456	51,201,835	(2,813,456)	48,388,379
Total comprehensive income for the financial year		-	-	8,164,225	8,164,225	-	8,164,225
Balance at 30 June 2023		77,549,880	(26,461,499)	55,753,953	106,842,334	-	106,842,334

Statements Of Changes In Equity

For The Financial Year Ended 30 June 2023 (Cont'd)

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At date of incorporation		2	-	2
Total comprehensive loss for the financial period		-	(364,305)	(364,305)
Balance at 30 June 2022		2	(364,305)	(364,303)
Transactions with owners of the Company				
- Shares issued pursuant to acquisition of subsidiaries	10	29,161,499	-	29,161,499
- Shares issued pursuant to Initial Public Offering	10	50,149,000	-	50,149,000
- Shares issuance expenses	10	(1,760,621)	-	(1,760,621)
Total transactions with owners of the Company		77,549,878	-	77,549,878
Total comprehensive loss for the financial year		-	(2,921,418)	(2,921,418)
Balance at 30 June 2023		77,549,880	(3,285,723)	74,264,157

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
OPERATING ACTIVITIES				
Profit/(loss) before tax	11,665,060	28,847,220	(2,863,418)	(364,305)
Adjustments for:-				
Depreciation of property, plant and equipment	2,950,008	2,484,174	-	-
Gain on disposal of property, plant and equipment	(76,405)	(100,000)	-	-
Property, plant and equipment written off	-	19,351	-	-
Distribution income from short term investment	(13,869)	-	-	-
Finance income	(1,009,484)	(288,544)	(453,541)	-
Finance cost	348,217	677,620	-	-
Operating profit/(loss) before working capital changes	13,863,527	31,639,821	(3,316,959)	(364,305)
Changes in working capital:-				
Inventories	347,263	706,689	-	-
Receivables	7,627,095	(1,371,687)	-	-
Payables	(5,334,865)	2,876,971	38,139	14,581
Cash generated from/(used in) operations	16,503,020	33,851,794	(3,278,820)	(349,724)
Interest received	1,009,484	288,544	453,541	-
Interest paid	(348,217)	(677,620)	-	-
Net tax paid	(4,667,764)	(6,321,495)	-	-
Net cash from/(used in) operating activities	12,496,523	27,141,223	(2,825,279)	(349,724)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	A (6,098,040)	(1,996,333)	-	-
Distribution received from short term investment	13,869	-	-	-
Investment in subsidiaries	-	-	(29,161,499)	-
Proceeds from disposal of property, plant and equipment	95,600	100,000	-	-
Placement of fixed deposits with maturity of more than 3 months	-	(5,000,000)	-	-
Net cash used in investing activities	(5,988,571)	(6,896,333)	(29,161,499)	-

Statements Of Cash Flows

For The Financial Year Ended 30 June 2023 (Cont'd)

		Group		Company	
		1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
	Note				
FINANCING ACTIVITIES					
Repayments of lease liabilities	B	(1,429,998)	(1,621,915)	-	-
Repayments of borrowings		(4,038,907)	(2,407,068)	-	-
(Repayments to)/advances from a subsidiary		-	-	(349,724)	349,724
Proceeds from issuance of new shares		50,149,000	2	79,310,499	2
Shares issuance expenses		(1,760,621)	-	(1,760,621)	-
Net cash from/(used in) financing activities		42,919,474	(4,028,981)	77,200,154	349,726
CASH AND CASH EQUIVALENTS					
Net changes		49,427,426	16,215,909	45,213,376	2
At the beginning of financial year		26,020,947	9,805,038	2	-
At the end of financial year	C	75,448,373	26,020,947	45,213,378	2

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM
Total additions	6,584,628	6,855,534
Acquired through lease arrangements	(486,588)	(4,859,201)
Cash payment	6,098,040	1,996,333

B. CASH OUTFLOWS FOR LEASE AS A LESSEE

	Group	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM
<i>Included in net cash from/(used in) operating activities:</i>		
Payment relating to short-term leases	359,200	251,580
Payment relating to lease of low value assets	17,523	17,838
Interest paid in relation to lease liabilities	211,863	282,085
<i>Included in net cash from/(used in) financing activities:</i>		
Payment of lease liabilities	1,429,998	1,621,915
	2,018,584	2,173,418

Statements Of Cash Flows

For The Financial Year Ended 30 June 2023 (Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)**C. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following items:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	66,325,894	19,020,947	45,213,378	2
Fixed deposits with a licensed bank *	5,000,000	12,000,000	-	-
Short term investments	9,122,479	-	-	-
	80,448,373	31,020,947	45,213,378	2
Less: Placement of fixed deposits with maturity of more than 3 months	(5,000,000)	(5,000,000)	-	-
	75,448,373	26,020,947	45,213,378	2

* Fixed deposits with a licensed bank earned interest rates ranging from 3.40% to 3.95% (2022: 1.90% to 2.60%) per annum.

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 2.

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the Group's and the Company's principal activities during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Directors on 17 October 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM, except when otherwise stated.

2.4 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective:-

MFRS and Amendments to MFRSs effective 1 January 2023:-

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

Notes to the Financial Statements

30 June 2023 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)**2.4 Standards issued but not yet effective (Cont'd)**

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective (cont'd):-

Amendments to MFRSs effective 1 January 2024:-

Amendments to MFRS 16*	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101#	Presentation of Financial Statements - Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107* and 7*	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements

Amendments to MFRS effective 1 January 2025:-

Amendments to MFRS 121*	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10# and 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group's and the Company's operations

Not applicable to the Company's operation

The initial application of the above standards and amendments are not expected to have any financial impacts on the financial statements of the Group and of the Company.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

2.5.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 4 to 74 years and reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 4 to the financial statements.

Notes to the Financial Statements

30 June 2023 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (Cont'd)

2.5.1 Estimation uncertainty (Cont'd)

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical factors which may cause selling prices to change rapidly and the Group's profit to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 6 to the financial statements.

Provision for expected credit losses ("ECLs") of receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing and trading sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Notes to the Financial Statements

30 June 2023 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)**2.5 Significant accounting estimates and judgements (Cont'd)****2.5.1 Estimation uncertainty (Cont'd)**Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the years in which such determination is made.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.5.2 Significant management judgementDetermining the lease term of contracts with renewal options – as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension. The Group applies judgement in evaluating whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g. if significant leasehold improvements or significant customisation to the leased assets).

The Group includes the renewal period as part of the lease term for such leases of premises with non-cancellable period (i.e. two-three years). The Group typically exercises its option to renew for these leases because the Group is using the premises for operations purpose.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies as summarised below for the financial years presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to their recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Consolidation (Cont'd)****3.1.2 Basis of consolidation (Cont'd)**Merger method

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Dai Suwon Packaging Sdn. Bhd., Dai Suwon Manufacturing Sdn. Bhd. and Kaisung Industries Sdn. Bhd. resulted in a business involving common control entities since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Acquisition method

The Company applies the acquisition method for those entities controlled by the Company. Under the acquisition method of accounting, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

3.1.3 Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. It is presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, separate from equity attributable to owners of the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even though it may result in deficit to non-controlling interest.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Consolidation (Cont'd)

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.2 Property, plant and equipment

All property, plant and equipment, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the assets to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold building	2%
Leasehold land and building	over 74 years
Computer and software	20%
Furniture, fittings and office equipment	10%
Plant and machineries	10% - 20%
Motor vehicles	20%
Renovation and electrical installation	10%
Premises	4 to 6 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES**3.3 Impairment of non-financial assets**

At the end of each reporting date, the Group and the Company review the carrying amounts of their non-financial assets to determine whether there is any indication of impairment by comparing the carrying amount with the recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses recognised in respect of a cash-generating unit or group of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised as an expense in profit or loss immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

3.4.1 Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group or the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company carry only financial assets at amortised cost on their statements of financial position.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and other receivables, fixed deposits with a licensed bank, short term investments and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.4 Financial instruments (Cont'd)****3.4.1 Financial assets (Cont'd)****Derecognition (Cont'd)**

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

3.4.1 Financial assets (Cont'd)

Impairment (Cont'd)

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

3.4.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's and the Company's financial liabilities include trade and other payables, amount due to a subsidiary and borrowings.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.4 Financial instruments (Cont'd)****3.4.2 Financial liabilities (Cont'd)****Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories are determined on a first-in-first-out basis. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less any estimated costs necessary to make the sale.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits with a licensed bank and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Equity and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost.

Retained earnings/(accumulated losses) include all current year's profit/(loss) and prior years' retained earnings/(accumulated losses).

Dividends are accounted for in shareholders' equity as an appropriation of retained earnings and recognised as a liability in the period in which they are declared.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.8.1 As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land and building	over 74 years
Plant and machineries	10%
Motor vehicles	20%
Premises	4 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment test as set out in Note 3.3 to the financial statements.

On the statements of financial position, right-of-use assets have been included in property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.8 Leases (Cont'd)****3.8.1 As a lessee (Cont'd)****Lease liabilities (Cont'd)**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies for the lease of low-value assets recognition exemption to lease of that are considered to be low-value. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.9 Revenue**3.9.1 Revenue from contracts with customers**

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to customer.

The Group recognises the revenue arising from sale of goods or services at a point in time unless one of the following over time criteria is met:-

- (a) The customer simultaneously receives and consumes the benefits provided; or
- (b) The Group's performance creates or enhances an asset that the customer control as the assets is created or enhanced; or
- (c) The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group is in the business of manufacturing of corrugated paper packaging products and supplying of protective packaging products. Revenue from contracts with customers is recognised when control of the goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

3.9.2 Interest income

Interest income is recognised on time proportion basis, by references to the principal outstanding and at interest rate applicable.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Employee benefits

3.10.1 Short-term benefits

Wages, salaries, bonuses and social security contribution are recognised as expenses in the financial years, in which the associated services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short term non-accumulating compensated absences such as sick leave are recognised when the absences are incurred.

3.10.2 Defined contribution plan

Defined contribution plan is post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

3.11 Borrowing costs

Borrowing costs are expensed in the year in which they incurred. Borrowing costs consists of interest and other costs that the Company incurred in connection with the borrowing of funds.

3.12 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

3.12.1 Current tax

Income tax on the profit or loss for the financial period comprises current and deferred tax. Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial period and are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

3.12.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

30 June 2023 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**3.13 Provisions**

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

3.14 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.15 Earnings per share**3.15.1 Basic**

Basic earnings per share for the year is calculated by dividing the net profit for the financial year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue.

3.15.2 Diluted

Diluted earnings per share is calculated by dividing the net profit for the financial year attributable to ordinary equity holders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted earnings per share equals basic earnings per share as the Group does not have potential dilutive equity instruments that would give a diluted effect to the basic earnings per share.

Notes to the Financial Statements

30 June 2023 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold building RM	Leasehold land and building RM	Computer and software RM	Furniture, fittings and office equipment RM	Plant and machineries RM	Motor vehicles RM	Renovation and electrical installation RM	Premises RM	Total RM
Cost										
At 1 July 2021	2,288,473	3,915,831	7,632,029	351,403	2,238,659	10,897,264	1,514,519	1,013,753	-	29,851,931
Additions	-	-	-	80,110	181,927	2,191,889	54,623	1,292,872	3,054,113	6,855,534
Disposals	-	-	-	-	-	(403,000)	-	-	-	(403,000)
Written off	-	-	-	(24,001)	-	(205,052)	(2,450)	-	-	(231,503)
At 30 June 2022	2,288,473	3,915,831	7,632,029	407,512	2,420,586	12,481,101	1,566,692	2,306,625	3,054,113	36,072,962
Additions	-	-	-	162,506	143,657	3,668,997	642,840	1,966,628	-	6,584,628
Disposals	-	-	-	-	-	-	(320,638)	-	-	(320,638)
At 30 June 2023	2,288,473	3,915,831	7,632,029	570,018	2,564,243	16,150,098	1,888,894	4,273,253	3,054,113	42,336,952
Accumulated depreciation										
At 1 July 2021	-	584,706	309,408	319,927	979,800	4,846,693	1,048,050	558,042	-	8,646,626
Charge for the financial year	-	60,123	103,135	22,162	203,661	1,214,700	213,184	160,599	506,610	2,484,174
Disposals	-	-	-	-	-	(403,000)	-	-	-	(403,000)
Written off	-	-	-	(23,998)	-	(185,704)	(2,450)	-	-	(212,152)
At 30 June 2022	-	644,829	412,543	318,091	1,183,461	5,472,689	1,258,784	718,641	506,610	10,515,648
Charge for the financial year	-	81,086	103,136	47,743	235,988	1,361,992	245,992	360,237	513,834	2,950,008
Disposals	-	-	-	-	-	-	(301,443)	-	-	(301,443)
At 30 June 2023	-	725,915	515,679	365,834	1,419,449	6,834,681	1,203,333	1,078,878	1,020,444	13,164,213
Net carrying amount										
At 30 June 2023	2,288,473	3,189,916	7,116,350	204,184	1,144,794	9,315,417	685,561	3,194,375	2,033,669	29,172,739
At 30 June 2022	2,288,473	3,271,002	7,219,486	89,421	1,237,125	7,008,412	307,908	1,587,984	2,547,503	25,557,314

Notes to the Financial Statements

30 June 2023 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold and leasehold land and buildings of the Group and of the Company with net carrying amount of RM7,116,350 (2022: RM12,778,961) have been pledged to licensed banks to secure banking facilities granted to the Group as disclosed in Note 14 to the financial statements.

Information on right-of-use assets are as follows:

Group	Carrying amount RM	Depreciation for the year RM	Additions RM
2023			
Leasehold land and building	7,116,350	103,136	-
Plant and machineries	1,407,346	175,919	-
Motor vehicles	389,088	97,272	486,360
Premises	2,033,669	513,834	-
	10,946,453	890,161	486,360
2022			
Leasehold land and building	7,219,486	103,135	-
Plant and machineries	5,640,546	878,382	1,759,184
Motor vehicles	235,328	140,605	54,623
Premises	2,547,503	506,610	3,054,113
	15,642,863	1,628,732	4,867,920

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

5. SUBSIDIARIES**5.1 Investment in subsidiaries**

	Company 2023 RM	2022 RM
Unquoted shares, at cost	29,161,499	-

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
Dai Suwon Packaging Sdn. Bhd.	Malaysia	Manufacturing of corrugated paper packaging products and supplying of protective packaging products	100	100 ^
Dai Suwon Manufacturing Sdn. Bhd.	Malaysia	Manufacturing of corrugated paper packaging products	100	50 ^
Kaisung Industries Sdn. Bhd.	Malaysia	Supplying of protective packaging products	100	100 ^

^ Under common control and using merger accounting principles for consolidation purpose.

Notes to the Financial Statements

30 June 2023 (Cont'd)

5. SUBSIDIARIES (CONT'D)

5.2 Acquisition of subsidiaries

On 7 February 2022, the Company entered into Shares Sale Agreements pursuant to the followings:-

- (a) Acquisition of 100% equity interest in Dai Suwon Packaging Sdn. Bhd. for total consideration of RM21,297,096 by way of issuance of 283,961,280 ordinary shares at an issue price of RM0.075;
- (b) Acquisition of 100% equity interest in Dai Suwon Manufacturing Sdn. Bhd. for total consideration of RM4,695,600 by way of issuance of 62,608,000 ordinary shares at an issue price of RM0.075; and
- (c) Acquisition of 100% equity interest in Kaisung Industries Sdn. Bhd. for total consideration of RM3,168,803 by way of issuance of 42,250,700 ordinary shares at an issue price of RM0.075.

The above transactions were completed on 29 August 2022.

5.3 Amount due to a subsidiary

The amount due to a subsidiary was non-trade related, unsecured, interest free and repayable on demand.

6. INVENTORIES

	Group	
	2023 RM	2022 RM
Finished goods	1,592,369	1,941,839
Raw materials	107,257	112,251
Work in progress	37,281	30,080
	<u>1,736,907</u>	<u>2,084,170</u>
Recognised in profit or loss		
Inventories recognised at cost of sales	<u>45,338,099</u>	<u>64,893,851</u>

7. TRADE RECEIVABLES

The normal trade credit terms granted by the Group to trade receivables range from to 1 to 90 days (2022: 1 to 90 days).

8. OTHER RECEIVABLES

	Group	
	2023 RM	2022 RM
Non-trade receivables	20,096	107,355
Deposits	333,208	355,689
Prepayments	1,089,000	1,609,411
	<u>1,442,304</u>	<u>2,072,455</u>

Notes to the Financial Statements

30 June 2023 (Cont'd)

9. SHORT TERM INVESTMENTS

The short term investments are managed and invested into fixed income securities and money market instruments by a fund management company. The short term investments are readily convertible to cash.

10. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Group				
Issued and fully paid with no par value:-				
At beginning of financial year	2,700,020	2,700,000	2,700,002	2,700,000
Issued pursuant to:-				
- Subscriber shares for incorporation of the Company	-	20	-	2
- Acquisition of subsidiaries under common control *	386,119,980	-	26,461,499	-
- Initial Public Offering	91,180,000	-	50,149,000	-
Shares issuance expenses	-	-	(1,760,621)	-
At end of financial year	480,000,000	2,700,020	77,549,880	2,700,002
Company				
Issued and fully paid with no par value:-				
At beginning of financial year/date of incorporation	20	20	2	2
Issued pursuant to:-				
- Acquisition of subsidiaries	388,819,980	-	29,161,499	-
- Initial Public Offering	91,180,000	-	50,149,000	-
Shares issuance expenses	-	-	(1,760,621)	-
At end of financial year/period	480,000,000	20	77,549,880	2

* Net off 2,700,000 shares of subsidiaries owned under common control amounting to RM2,700,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

11. MERGER DEFICIT

The merger deficit arises as and when the combination takes place, it comprises the difference between the cost of merger and the nominal value of shares acquired in subsidiaries as disclosed in Note 5 to the financial statements.

Notes to the Financial Statements

30 June 2023 (Cont'd)

12. NON-CONTROLLING INTERESTS

	Dai Suwon Manufacturing Sdn Bhd	
	2023	2022
	%	%
Non-controlling interests	-	50

The summarised financial information relating to the subsidiary above is provided below. This information is based on amounts before inter-company eliminations.

	2022 RM
(i) Summarised statement of financial position	
Non-current assets	10,664,390
Current assets	9,072,736
Non-current liabilities	(6,247,228)
Current liabilities	(7,862,987)
Net assets	5,626,911
(ii) Summarised statement of comprehensive income	
Revenue	60,125,648
Net profit/total comprehensive income for the financial year	931,239
Profit attributable to owners of the Company	465,619
Profit attributable to non-controlling interests	465,620
(iii) Summarised cash flows information	
Cash flows from/(used in):	
Operating activities	1,809,387
Investing activities	(358,622)
Financing activities	(2,734,916)
Net changes in cash and cash equivalents	(1,284,151)

13. LEASE LIABILITIES

	Group	
	2023 RM	2022 RM
At beginning of financial year	4,531,833	1,294,547
Additions	486,588	4,859,201
Lease payments	(1,429,998)	(1,621,915)
Lease interest	211,863	282,085
Payments for lease interest	(211,863)	(282,085)
At end of financial year	3,588,423	4,531,833
Presented as:-		
- Current	1,112,261	1,184,617
- Non-current	2,476,162	3,347,216
	3,588,423	4,531,833

Notes to the Financial Statements

30 June 2023 (Cont'd)

13. LEASE LIABILITIES (CONT'D)

The lease liabilities are secured by the related underlying assets.

The maturity analysis of lease liabilities is disclosed in Note 26 to the financial statements.

The Group also has certain leases of premises, motor vehicles, office equipment and server with short-term leases and low-value assets. The Group applies "short-term leases" and "lease of low-value assets" recognition exemption for such leases as detailed in Note 19 to the financial statements.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use assets can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as securities.

The Group's leasing activities by type of right-of-use assets are recognised in property, plant and equipment on the statements of financial position as disclosed in Note 4 to the financial statements.

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised in property, plant and equipment on the statements of financial position:

	Range of remaining term	Number of leases with extension options	Number of leases with variable payment linked to an index	Number of leases with termination options
Right-of-use assets				
Group				
2023				
Leasehold land and building	70 years	-	-	-
Plant and machineries	1 to 3 years	-	-	-
Motor vehicles	1 to 3 years	-	-	-
Premises	2 to 4 years	3	-	-
2022				
Leasehold land and building	71 years	-	-	-
Plant and machineries	1 to 4 years	-	-	-
Motor vehicles	1 to 2 years	-	-	-
Premises	3 to 5 years	3	-	-

The effective interest rates of the lease liabilities ranged from 2.50% to 3.76% (2022: 2.08% to 3.76%) per annum.

14. BORROWINGS

	Group	
	2023 RM	2022 RM
Non-current		
Term loans	4,533,140	8,171,987
Current		
Term loans	284,546	684,606
	4,817,686	8,856,593

Notes to the Financial Statements

30 June 2023 (Cont'd)

14. BORROWINGS (CONT'D)

The above borrowings are secured by way of:

- (a) legal charge over freehold and leasehold land and buildings of the Group; and
- (b) corporate guarantee by the Company.

The term loans bear interest rates ranging from of 3.67% to 4.42% (2022: 3.42% to 3.76%) per annum and are repayable by 240 (2022: 66 to 240) equal monthly instalments.

15. DEFERRED TAX LIABILITIES

	Group	
	2023 RM	2022 RM
At beginning of financial year	1,327,300	833,781
Recognised in profit or loss (Note 20)	459,529	493,519
At end of financial year	1,786,829	1,327,300

The deferred tax liabilities are made up of tax impact on temporary differences arising from carrying amount of qualifying property, plant and equipment in excess of their tax base.

16. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 1 to 120 days (2022: 1 to 120 days).

17. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	191,810	636,826	-	-
Accruals	1,566,528	3,187,979	52,720	14,581
	1,758,338	3,824,805	52,720	14,581

18. REVENUE

	Group	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM
Sales of packaging and paper products	82,342,307	121,218,073

All of the Group's revenue are recognised at a point in time and generated in Malaysia.

Notes to the Financial Statements

30 June 2023 (Cont'd)

19. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been determined after charging amongst others, the following items:-

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
Auditors' remuneration:-				
Grant Thornton Malaysia PLT ("GTM")				
- statutory audits	129,000	115,000	34,000	18,000
- assurance-related services	4,000	-	4,000	-
- non-assurance-related services	-	260,000	-	260,000
GTM member firm				
- other services	16,800	173,000	800	-
Expenses relating to short-term leases				
- rental of office	9,000	-	-	-
- rental of motor vehicles	158,400	158,400	-	-
- rental of hostel	191,800	93,180	-	-
Expenses relating to lease of low-value assets				
- rental of office equipment	10,743	11,358	-	-
- rental of server	6,780	6,480	-	-

20. TAX EXPENSE

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
Current tax:-				
- current year provision	3,146,800	6,770,646	58,000	-
- (over)/underprovision in prior years	(105,494)	112,170	-	-
	3,041,306	6,882,816	58,000	-
Deferred tax (Note 15):-				
- current year provision	504,529	255,453	-	-
- (over)/underprovision in prior years	(45,000)	238,066	-	-
	459,529	493,519	-	-
	3,500,835	7,376,335	58,000	-

Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements

30 June 2023 (Cont'd)

20. TAX EXPENSE (CONT'D)

A reconciliation of the tax expense on profit/(loss) before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
Profit/(loss) before tax	11,665,060	28,847,220	(2,863,418)	(364,305)
Income tax at rate of 24% (2022: 24%)	2,799,614	6,923,333	(687,220)	(87,433)
Tax effects in respect of:-				
Non-allowable expenses	916,052	144,766	745,220	87,433
Income not subject to tax	(18,337)	-	-	-
Tax savings for subsidiaries with paid up capital below RM2,500,000	(46,000)	(42,000)	-	-
(Over)/underprovision of current tax in prior years	(105,494)	112,170	-	-
(Over)/underprovision of deferred tax in prior years	(45,000)	238,066	-	-
	3,500,835	7,376,335	58,000	-

21. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the financial year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:-

	Group	
	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022
Net profit for the financial year attributable to ordinary equity holders of the Group (RM)	8,164,225	21,005,265
Weighted average number of ordinary shares in issue (units)	369,564,278	2,700,015
Basic earnings per share (sen)	2.21	777.97

Diluted earnings per share

Diluted earnings per share equals basic earnings per share as there are no potential dilutive instruments in existence at the reporting date.

Notes to the Financial Statements
30 June 2023 (Cont'd)**22. EMPLOYEE BENEFITS EXPENSES**

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
Salaries and other emoluments	14,064,604	17,776,074	168,000	-
Defined contribution plan	1,521,248	1,757,971	-	-
Social security contribution	64,094	52,415	-	-
Other benefits	750,002	1,088,289	-	-
	16,399,948	20,674,749	168,000	-

Included in the above is the Directors' remuneration during the financial year/period as follows:-

	Group		Company	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM	1.7.2022 to 30.6.2023 RM	20.9.2021 to 30.6.2022 RM
<u>Directors of the Company</u>				
Salaries and other emoluments	6,147,000	6,634,200	12,000	-
Defined contribution plan	1,127,650	1,260,498	-	-
Social security contribution	3,358	2,770	-	-
Fee	156,000	-	156,000	-
	7,434,008	7,897,468	168,000	-
<u>Director of a subsidiary</u>				
Salaries and other emoluments	122,337	93,590	-	-
Defined contribution plan	14,724	11,242	-	-
Social security contribution	745	276	-	-
Fee	-	128,612	-	-
	137,806	233,720	-	-
	7,571,814	8,131,188	168,000	-

23. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
Authorised and contracted for:-		
- property, plant and equipment	341,000	478,588

Notes to the Financial Statements

30 June 2023 (Cont'd)

24. RELATED PARTY DISCLOSURES

24.1 Significant related party transactions

Significant related party transactions during the financial year are as follows:-

	Group	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM
Rental expenses charged by certain Directors	492,000	492,000
Rental expenses charged by a company in which certain Directors have interests	72,000	72,000
Purchases from a company in which a former shareholder of a subsidiary has interest	32,401	203,578
Delivery fees charged by an entity owned by a person connected to a Director	140,250	187,085
Delivery fees charged by a company owned by a person connected to a former shareholder of a subsidiary	53,212	443,857

The Directors of the Company are of the opinion that the above transactions were entered into in the normal course of business and were established under negotiated basis.

24.2 Related party balance

The outstanding related party balance as at the reporting date is disclosed in Notes 5 to the financial statements.

24.3 Remuneration of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and the entity that provides key management personnel service to the Company.

Key management personnel includes all the Directors of the Company and certain management of the Group.

The remuneration of the Directors is disclosed in the Note 22 to the financial statements while the remuneration of the other key management personnel is shown as follows:-

	Group	
	1.7.2022 to 30.6.2023 RM	1.7.2021 to 30.6.2022 RM
Salaries and other emoluments	503,187	134,200
Defined contribution plan	79,745	25,498
Social security contribution	3,619	923
Other benefits	176,191	-
	762,742	160,621

The estimated monetary value of benefits-in-kind received and receivable by the key management personnel otherwise than in cash from the Group amounted to RM27,300 (2022: Nil).

Notes to the Financial Statements

30 June 2023 (Cont'd)

25. SEGMENTAL REPORTING**Business segments**

The Group is principally involved in manufacturing, supplying and trading in packaging materials and paper products.

Due to the interrelated nature of manufacturing, supplying and trading in packaging materials and paper products and similar operational characteristic of managing the same field, management is of the view that it is overseeing a single reportable segment. Hence, the Group does not present its results by industry or product segment.

Geographical segments

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

Major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

Group	RM	%
2023		
Customer A	20,375,967	25
Customer B	18,849,315	23
Customer C	10,123,688	12
	49,348,970	60
2022		
Customer A	22,915,394	19
Customer B	22,866,668	19
Customer C	21,570,589	18
Customer D	18,143,537	15
	85,496,188	71

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS

26.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group and the Company operate within policies that are approved by the Directors and the Group's and the Company's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the Group's and the Company's counterparties whose aggregate credit exposure is significant in relation of the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Following are the areas where the Group and the Company are exposed to credit risk:-

i. Receivables

At the reporting date, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions.

Generally, the gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities. The Group does not hold collateral as security.

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

i. Receivables (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

Group	Total gross carrying amount RM	Expected credit loss RM
2023		
Not past due	9,138,575	-
Past due 1 to 30 days	2,191,323	-
Past due 31 to 60 days	391,176	-
Past due 61 to 90 days	11,381	-
Past due 91 to 120 days	29,672	-
	11,762,127	-
2022		
Not past due	15,304,289	-
Past due 1 to 30 days	3,185,353	-
Past due 31 to 60 days	260,972	-
Past due 61 to 90 days	3,048	-
Past due more than 120 days	5,409	-
	18,759,071	-

The net carrying amount of trade receivables is considered a reasonable approximate of their fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above.

In respect of trade receivables, the Group has significant concentration of credit risk of which 38% (2022: 45%) were due from 2 (2022: 2) customers. As at the reporting date, there was no indication that the trade receivables are not recoverable.

Notes to the Financial Statements

30 June 2023 (cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

ii. *Cash and cash equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks or financial institutions with high quality external credit ratings.

iii. *Financial guarantees*

The maximum exposure to credit risk of the Group is Nil (2022: RM4,719,752) in respect of corporate guarantees given to financial institutions in respect of loans granted to certain Directors. All the corporate guarantees given to banks for banking facilities utilised by certain Directors of the Group have been discharged by the licensed banks during the financial year.

The maximum exposure to credit risk of the Company is RM4,817,686 (2022: Nil) in respect of corporate guarantee given to licensed bank for banking facilities granted to a subsidiary.

The Company monitors on an ongoing basis the result of the subsidiary and repayments made by the subsidiary. As at the end of the reporting date, there was no indication that the subsidiary would default on repayment.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due as a result of shortage of funds. In managing its exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation are set out as follows:-

	Carrying amount RM	Contractual cash flows RM	Current Less than 1 year RM	Non-current 1 to 5 years RM	More than 5 years RM
Group					
2023					
Secured:-					
Lease liabilities	3,588,423	3,880,520	1,258,908	2,621,612	-
Borrowings	4,817,686	7,808,343	492,492	1,969,968	5,345,883
	8,406,109	11,688,863	1,751,400	4,591,580	5,345,883
Unsecured:-					
Trade payables	5,275,366	5,275,366	5,275,366	-	-
Other payables	1,758,338	1,758,338	1,758,338	-	-
	7,033,704	7,033,704	7,033,704	-	-
Total	15,439,813	18,722,567	8,785,104	4,591,580	5,345,883
Financial guarantees	-	-	-	-	-
2022					
Secured:-					
Lease liabilities	4,531,833	4,984,715	1,379,018	3,605,697	-
Borrowings	8,856,593	11,073,909	996,264	4,464,895	5,612,750
	13,388,426	16,058,624	2,375,282	8,070,592	5,612,750
Unsecured:-					
Trade payables	8,543,764	8,543,764	8,543,764	-	-
Other payables	3,824,805	3,824,805	3,824,805	-	-
	12,368,569	12,368,569	12,368,569	-	-
Total	25,756,995	28,427,193	14,743,851	8,070,592	5,612,750
Financial guarantees	-	4,719,752	-	-	-

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The maturity profile of all the financial liabilities of the Company based on the contractual undiscounted repayment obligation is less than a year, including the financial guarantee of RM4,817,686 (2022: Nil) granted to a subsidiary.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

Fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. Variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting date is as follows:-

	Group	
	2023	2022
	RM	RM
Fixed rate instruments		
Fixed deposits with a licensed bank	5,000,000	12,000,000
Lease liabilities	(3,588,423)	(4,531,833)
Term loans	-	(765,184)
	(1,411,577)	(6,702,983)
Variable rate instrument		
Term loans	(4,817,686)	(8,091,409)

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)***Sensitivity analysis for fixed rate instruments:-***

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

Sensitivity analysis for variable rate instruments:-

The following table illustrates the sensitivity of net profit/equity to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on a change in the average market interest rate for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates with all other variables held constant.

	Increase/(decrease) in net profit/equity for the financial year	
	+0.5% RM	-0.5% RM
Group		
Variable rate instrument		
2023	(24,088)	24,088
2022	(40,457)	40,457

26.2 Reconciliation of liabilities arising from financing activities

	At 1.7.2022 RM	Acquisition* RM	Repayments RM	At 30.6.2023 RM
Group				
Lease liabilities	4,531,833	486,588	(1,429,998)	3,588,423
Borrowings	8,856,593	-	(4,038,907)	4,817,686
	13,388,426	486,588	(5,468,905)	8,406,109

Notes to the Financial Statements

30 June 2023 (Cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Reconciliation of liabilities arising from financing activities (cont'd)

	At 1.7.2021 RM	Acquisition* RM	Repayments RM	At 30.6.2022 RM
Group (cont'd)				
Lease liabilities	1,294,547	4,859,201	(1,621,915)	4,531,833
Borrowings	11,263,661	-	(2,407,068)	8,856,593
	12,558,208	4,859,201	(4,028,983)	13,388,426

* Arising from acquisition of property, plant and equipment under lease arrangements.

26.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and the Company at the reporting date approximate their fair values due to their short-term nature or that they are variable rate instruments that are re-priced to market interest rates on or near the reporting date or have immaterial discounting impact.

26.4 Fair value hierarchy

No fair value hierarchy disclosed as the Group and the Company do not have financial instrument measured at fair value.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, sell assets to reduce debts or issue new share capital.

There was no change in the Group's approach to capital management during the financial year.

28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Listed on ACE Market

On 31 March 2022, Public Investment Bank Berhad on behalf of Board of Directors of the Company submitted an application to the Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the proposed admission of the Company to the Official List and the listing of the quotation for entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia. The said application has been approved by Bursa Malaysia on 15 August 2022.

Subsequently, the Company has been successfully listed on the ACE Market of Bursa Malaysia on 6 January 2023.

29. COMPARATIVE INFORMATION

The comparative figures of the Company are for the period from 20 September 2021 to 30 June 2022. Consequently, the comparative amounts for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.

LIST OF PROPERTIES

AS AT 30 JUNE 2023

No.	Location	Address	Description/ Existing Use	Tenure	Approximate Age of Building (Years)	Land Area / Built-up Area (square feet)	Carrying Amount (RM)	Date of Acquisition
1	Port Klang, Selangor	PN 32397, Lot 77153, Mukim Klang, Daerah Klang / No. 27, Lorong Jala 14/KS 10, Jalan Telok Gong, 42000 Port Klang, Selangor	Single storey semi-detached factory with double storey office / Manufacturing facilities and office	Leasehold of 99 years expiring on 5 October 2092	5	46,070 / 27,832	7,116,350	6 July 2018
2	Nilai, Negeri Sembilan	GRN136296, Lot 16132, Mukim Setul, Daerah Seremban / Lot 16132, Jalan Nilai 3/12, Kawasan Industri Nilai 3, 71800 Nilai, Negeri Sembilan	Double storey detached office cum single storey factory / Manufacturing facilities and office	Freehold	9	53,507 / 31,632	5,478,389	16 April 2014

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 6 January 2023 (“**Listing**”). In conjunction with the Listing, the Company undertook a public issue of 91,180,000 new ordinary shares at an issue price of RM0.55 per share, raising total gross proceeds of approximately RM50.15 million (“**IPO Proceeds**”).

As at 30 June 2023, the utilisation of the IPO proceeds is as follows:

Purpose	Proposed utilisation	Actual utilised	Unutilised amount	Estimated timeframe for utilisation from Listing date
	RM'000	RM'000	RM'000	
Expansion of operational facilities	17,200	-	17,200	Within 24 months
Purchase of new machinery and equipment	16,000	-	16,000	Within 24 months
Establish packaging design and innovation centre	1,140	1,077	63	Within 24 months
Repayment of bank borrowings	6,000	3,379	2,621	Within 12 months
Working capital	5,409	5,197	212	Within 12 months
Estimated listing expenses	4,400	4,400	-	Within 3 months
Total	50,149	14,053	36,096	

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

2. Recurrent Related Party Transactions of a Revenue Nature

During the financial year under review, the Group has not entered into any significant recurrent related party transactions of a revenue or trading nature.

3. Audit and Non-Audit Services

For the financial year ended 30 June 2023 (“**FYE 2023**”), Grant Thornton Malaysia PLT, the external auditors, has rendered certain audit and non-audit services to the Company and the Group. The breakdown of the fees payable to the external auditors is as follows:-

	Company (RM)	Group (RM)
Audit services rendered		
Statutory audit in respect of FYE 2023	34,000	129,000
Non-audit services rendered		
Review of the Statement on Risk Management and Internal Control	4,000	4,000
Other services	800	16,800
Total	38,800	149,800

4. Material Contracts

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

SHAREHOLDERS' INFORMATION/ ANALYSIS OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2023

Total Number of Issued Shares	:	480,000,000 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	3,481
Voting Rights	:	One (1) vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	0	0.00	0	0.00
100-1,000	278	7.98	161,100	0.03
1,001-10,000	1,621	46.57	10,170,000	2.12
10,001-100,000	1,359	39.04	47,223,800	9.84
100,001-23,999,999 (*)	221	6.35	104,691,200	21.81
24,000,000 and above (**)	2	0.06	317,753,900	66.20
Total	3,481	100.00	480,000,000	100.00

Remark: * Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of shares	Direct (%)	No. of shares	Indirect (%)
1.	DS Kaizen Sdn. Bhd.	292,800,000	61.00	-	-
2.	Lucille Teoh Soo Lien	28,453,900	5.93	292,800,000 ⁽¹⁾	61.00
3.	Beh Seng Lee	7,272,900	1.52	293,042,900 ⁽²⁾	61.05

DIRECTORS' SHAREHOLDINGS

No.	Name	No. of shares	Direct (%)	No. of shares	Indirect (%)
1.	Mohamad Ismail Bin Abu Bakar	305,000	0.06	-	-
2.	Lucille Teoh Soo Lien	28,453,900	5.93	292,800,000 ⁽¹⁾	61.00
3.	Beh Seng Lee	7,272,900	1.52	293,042,900 ⁽²⁾	61.05
4.	Beh Le Hao	1,000,000	0.21	-	-
5.	Lee Yew Weng	300,000	0.06	-	-
6.	Loo Hee Guan	300,000	0.06	-	-
7.	Maznida Binti Mokhtar	50,000	0.01	-	-

Note: -

(1) Deemed interested by virtue of her direct shareholdings in DS Kaizen Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

(2) Deemed interested by virtue of his direct shareholdings in DS Kaizen Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and his daughter, Beh Le Shen's shareholdings in the Company.

Shareholders' Information/ Analysis of Shareholdings As At 29 September 2023 (Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	DS Kaizen Sdn. Bhd.	292,800,000	61.00
2.	Lucille Teoh Soo Lien	24,860,000	5.18
3.	Yong Chong Long	13,852,000	2.89
4.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loi Guak Lian	9,522,500	1.98
5.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chow Pui Hee	4,316,900	0.90
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Seng Lee	4,000,000	0.83
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lucille Teoh Soo Lien	3,500,000	0.73
8.	Lindy Loh Swee Lee	2,430,000	0.51
9.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koon Poh Tat	2,000,000	0.42
10.	Goh Ten Fook	1,939,100	0.40
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Beh Seng Lee	1,836,900	0.38
12.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Peng Kong	1,630,000	0.34
13.	Beh Seng Lee	1,436,000	0.30
14.	Pang Chung Tat	1,050,000	0.22
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Eng Wei Chun	1,000,400	0.21
16.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Choong Poh Poo	1,000,000	0.21
17.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Le-Hao	1,000,000	0.21
18.	Chin Peng Kong	900,000	0.19
19.	Poong Hooi Cheng	900,000	0.19
20.	CitiGroup Nominees (Asing) Sdn. Bhd. - UBS AG	812,000	0.17
21.	Yap Yit Leong (Dato')	753,900	0.16
22.	Yap Booi Lek	722,300	0.15
23.	Ooi Siew Looi	700,000	0.15
24.	Yong Chin Onn	693,800	0.14
25.	Kueh Jing Zhi	650,000	0.14
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for S Chandra Bose A/L Shanmuganathan	608,000	0.13
27.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Choon Teng	600,000	0.12
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Kean Tat	600,000	0.12
29.	Lim Sam Chin	600,000	0.12
30.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yong Yuet Kum	595,000	0.12
TOTAL		377,308,800	78.61

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second (“2nd”) Annual General Meeting (“AGM”) of the Company will be held at Promenade 5, Level 3A, KSL Esplanade Hotel, No. 1, Persiaran Bestari 2/KS09, Bandar Bestari, 41200 Klang, Selangor Darul Ehsan on Tuesday, 28 November 2023 at 10:00 a.m. for the transaction of the following business:-

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. **(Refer to Note 2)**
2. To approve the payment of Directors’ fees payable to the Non-Executive Directors of the Group of up to RM352,000/- for the financial year ending 30 June 2024. **Resolution 1**
3. To re-elect the following Directors who retire pursuant to Clause 21.7 of the Constitution of the Company and being eligible, have offered themselves for re-election:-
 - (a) Ms. Lucille Teoh Soo Lien; **Resolution 2**
 - (b) Mr. Lee Yew Weng; and **Resolution 3**
 - (c) Pn. Maznida binti Mokhtar. **Resolution 4**
4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration. **Resolution 5**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolutions:-

5. **ORDINARY RESOLUTION** **Resolution 6**
- **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

THAT pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

Notice of the Second Annual General Meeting (Cont'd)

6. SPECIAL RESOLUTION

Resolution 7

- PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

“THAT the proposed amendments to the Constitution of the Company, as annexed as Appendix 1 of the Annual Report 2023, be and are hereby approved and adopted.

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the proposed amendments to the Constitution of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities.”

7. To transact any other business that may be transacted at an AGM, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

(duly signed)

CHUA SIEW CHUAN (SSM PC No. 201908002648 & MAICSA 0777689)

CHENG CHIA PING (SSM PC No. 202008000730 & MAICSA 1032514)

Company Secretaries

Kuala Lumpur

30 October 2023

Notes:

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend the 2nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) to issue a General Meeting Record of Depositors as at 22 November 2023. Only a depositor whose name appears on the Record of Depositors as at 22 November 2023 shall be entitled to attend the 2nd AGM or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the 2nd AGM is entitled to appoint a proxy/proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 2nd AGM shall have the same rights as the member to speak and vote at the 2nd AGM.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the 2nd AGM, to the extent permitted by the Act, SICDA, ACE Market Listing Requirements of Bursa Securities (“**ACE LR**”) and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the 2nd AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.

Notice of the Second Annual General Meeting (Cont'd)

- e. Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”) as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer’s Common Seal or under the hand of an officer or attorney duly authorised.

g. Publication of Notice of the 2nd AGM on corporate website

Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form are available at the corporate website of DS Sigma Holdings Berhad at <https://www.dssigma.com.my/>.

h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 2nd AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form.

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company’s Share Registrar, i.e. Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIIH Online at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or adjournment thereof (i.e. on or before Sunday, 26 November 2023 at 10:00 a.m.). Please follow the procedures as set out in the Administrative Guide for the electronic submission of proxy form.

Explanatory Notes:-

(2) Audited Financial Statements for the financial year ended 30 June 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(3) Payment of Directors’ Fees – Resolution 1

The proposed Directors’ Fees payable to the Directors of the Company for the financial year ending 30 June 2024 shall be up to a total of RM352,000/- only, comprised the following rates based on responsibilities assumed: -

Office	Amount (RM) per annum
Board Chairman	72,000/-
Non-Executive Directors	280,000/-
	352,000/-

The Resolution 1, if approved, will authorise the payment of Directors’ Fees pursuant to Clause 21.4 of the Constitution of the Company.

Notice of the Second Annual General Meeting (Cont'd)

(4) **Re-election of Directors – Resolutions 2, 3 & 4**

In determining the eligibility of the Directors to stand for re-election at the forthcoming 2nd AGM, the Nomination Committee (“**NC**”), guided by the Directors’ Fit and Proper Policy has considered the criteria as stated in the said Policy as well as the requirements of ACE LR of Bursa Securities and recommended the re-election of the following Directors pursuant to Clause 21.7 of the Constitution of the Company: -

- (i) Ms. Lucille Teoh Soo Lien;
- (ii) Mr. Lee Yew Weng; and
- (iii) Pn. Maznida binti Mokhtar.

(collectively, the “**Retiring Directors**”)

The Board, vide the NC, has conducted a separate assessment and being satisfied with the performance/ contribution/ fit and properness of the Retiring Directors, the Board would like to recommend the same be tabled to the shareholders for approval at the forthcoming 2nd AGM of the Company under Resolutions 2, 3 and 4 respectively. The fit and proper as well as evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2023 of the Company.

All the Retiring Directors have consented to their re-election, and have abstained from deliberation and voting in relation to their individual re-election at the NC and Board of Directors’ meetings, respectively.

(5) **Re-appointment of Auditors – Resolution 5**

The Audit Committee (“**AC**”) have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 30 June 2024. The Board has in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 2nd AGM of the Company under Resolution 5. The evaluation criteria adopted as well as the process of assessment by the AC and Board, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2023 of the Company.

(6) **Authority to Issue Shares pursuant to the Companies Act 2016 - Resolution 6**

The Company wishes to obtain the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Act at the 2nd AGM of the Company (hereinafter referred to as the “**General Mandate**”).

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

This is the first General Mandate to be sought by the Company since its listing on the ACE Market of Bursa Securities on 6 January 2023.

(7) **Proposed Amendments to the Constitution of the Company - Special Resolution**

The proposed adoption of the Special Resolution is to enhance administrative efficiency and provide greater flexibility and clarity in the Constitution of the Company.

The Special Resolution, if passed, will take effect upon the shareholders’ approval at the 2nd AGM of the Company.

APPENDIX 1

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company is proposed to be amended in the following manner:

1. By amending the definitions and interpretation in Clause 6.1 as follows:

Existing provision		Proposed amendment	
Word	Meaning	Word	Meaning
<u>"Listing Requirements"</u>	the ACE Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.	"Listing Requirements"	The ACE or Main Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.

2. By amending Clause 8.1 as follows:

Existing provision	Proposed amendment
<p>The Company shall have first and paramount lien on every share (not being a fully paid shares) and dividends from time to time declared in respect of such shares, provided that the Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to: -</p> <p>(a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;</p> <p>(b) if the shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</p> <p>(c) such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.</p> <p>The lien in each of the above cases shall also extend to reasonable interest and expenses incurred because of the unpaid amount.</p>	<p>The Company's shall have first and paramount lien on every shares (not being a fully paid shares) and dividends from time to time declared in respect of such shares, provided that the Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to: -</p> <p>(a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid; and</p> <p>(b) if the shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</p> <p>(e)(b) such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.</p> <p>The lien in each of the above cases shall also extend to reasonable interests and expenses incurred because of the unpaid amount.</p>

3. By amending Clause 18.6 as follows:

Existing provision	Proposed amendment
<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by an explanatory note regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>	<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company <u>either in hard copy, publication on the Company's corporate website or in Electronic Form, or partly in hard copy and partly in electronic form</u> at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by an explanatory note regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>



DS SIGMA HOLDINGS BERHAD
[Registration No.: 202101030362 (1430662-K)]

CDS Account No. (For Nominees Account Only)	Total number of shares held

PROXY FORM

(Before completing this form please refer to the notes below)

*I/We, *NRIC/Passport/Registration No.:
(FULL NAME IN BLOCK LETTER)

Contact No.: of
(FULL ADDRESS)

being a *member/members of **DS SIGMA HOLDINGS BERHAD** ("Company"), hereby appoint:-

Full Name (IN BLOCK LETTER)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address			
Email Address			
Telephone No.:			

*and / or,

Full Name (IN BLOCK LETTER)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address			
Email Address			
Telephone No.:			

or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Second Annual General Meeting of the Company to be held at Promenade 5, Level 3A, KSL Esplanade Hotel, No. 1, Persiaran Bestari 2/KS09, Bandar Bestari, 41200 Klang, Selangor Darul Ehsan on Tuesday, 28 November 2023 at 10:00 a.m. or any adjournment thereof.

No.	Ordinary Resolutions	FOR	AGAINST
1.	Payment of Directors' fees to the Non-Executive Directors of the Group of up to RM352,000/- for the financial year ending 30 June 2024.		
2.	To re-elect Ms. Lucille Teoh Soo Lien as Director.		
3.	To re-elect Mr. Lee Yew Weng as Director.		
4.	To re-elect Pn. Maznida binti Mokhtar as Director.		
5.	To re-appoint Grant Thornton Malaysia PLT as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to determine their remuneration.		
6.	Authority to allot and issue shares pursuant to the Companies Act 2016.		
No.	Special Resolution	FOR	AGAINST
1.	Proposed amendments to the Constitution of the Company.		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If no specific direction as to vote is given, the proxy/proxies will vote or abstain from voting at his/her discretion.)

Dated this day of , 2023

***delete whichever is not applicable**

.....
Signature / Common Seal of Shareholder

Notes:

(1) Information for Shareholders/Proxies

- For the purpose of determining a member who shall be entitled to attend the 2nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 18.7(b) of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 ("SICDA") to issue a General Meeting Record of Depositors as at 22 November 2023. Only a depositor whose name appears on the Record of Depositors as at 22 November 2023 shall be entitled to attend the 2nd AGM or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- A member entitled to attend and vote at the 2nd AGM is entitled to appoint a proxy/proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 2nd AGM shall have the same rights as the member to speak and vote at the 2nd AGM.

- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the 2nd AGM, to the extent permitted by the Act, SICDA, ACE Market Listing Requirements of Bursa Securities ("**ACE LR**") and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the 2nd AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which holds security(ies) standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense, in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.
- g. Publication of Notice of the 2nd AGM on corporate website
Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form are available at the corporate website of DS Sigma Holdings Berhad at <https://www.dssigma.com.my/>.
- h. Appointment of Proxy(ies)
A member may obtain the proxy form for the 2nd AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form.
The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Share Registrar, i.e. Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. In the case of electronic appointment, the Form of Proxy must be deposited via TIH Online at <https://tih.online>, not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or adjournment thereof (i.e. on or before Sunday, 26 November 2023 at 10:00 a.m.). Please follow the procedures as set out in the Administrative Guide for the electronic submission of proxy form.

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**Affix
Stamp**

The Share Registrar

DS SIGMA HOLDINGS BERHAD

[Registration No. 202101030362 (1430662-K)]

c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Wilayah Persekutuan

Fold this flap for sealing



DS SIGMA HOLDINGS BERHAD
(Registration No. 202101030362 (1430662-K))

36, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor
Tel : 03 - 03-8060 1678/79/80
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