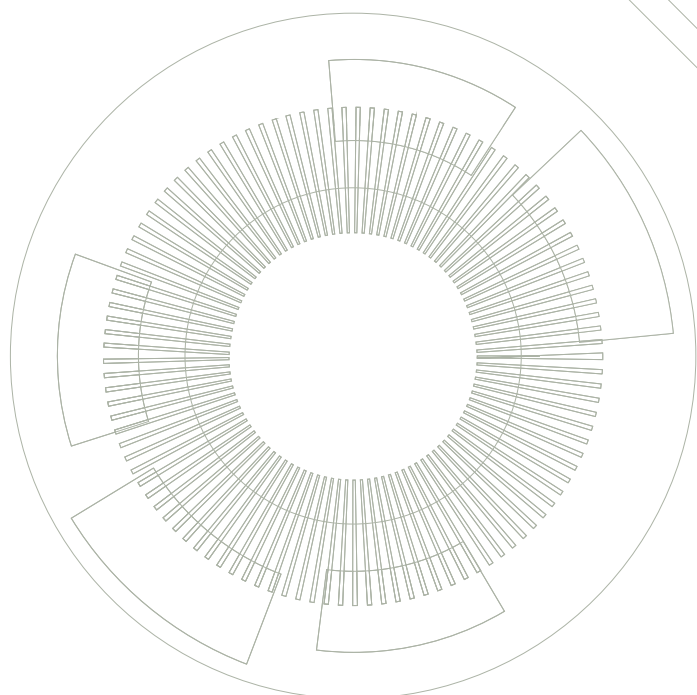




**DS SIGMA HOLDINGS BERHAD**  
Registration No: 202101030362 (1430662-K)  
(Incorporated in Malaysia)

# Annual Report **2024**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Independent Non-Executive Chairman  
**MOHAMAD ISMAIL BIN ABU BAKAR**

Managing Director  
**LUCILLE TEOH SOO LIEN**

Executive Directors  
**BEH SENG LEE**  
**BEH LE HAO**

Independent Non-Executive Directors  
**LEE YEW WENG**  
**LOO HEE GUAN**  
**MAZNIDA BINTI MOKHTAR**  
**HANANI HAYATI BINTI MOHD ADHAN**

### 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 Kerinchi,  
59200 Kuala Lumpur,  
Wilayah Persekutuan  
Telephone : 03-2783 9299  
Facsimile : 03-2783 9222  
Email : is.enquiry@vistra.com

### AUDITORS

Grant Thornton Malaysia PLT  
Chartered Accountants  
(201906003682 &  
LLP0022494-LCA)  
(Member firm of Grant Thornton  
International Ltd) (AF0737)  
Level 11, Sheraton Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur,  
Wilayah Persekutuan  
Telephone : 03-2692 4022  
Facsimile : 03-2691 5229

### PRINCIPAL BANKERS

Public Bank Berhad  
Standard Chartered Bank Berhad  
Hong Leong 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

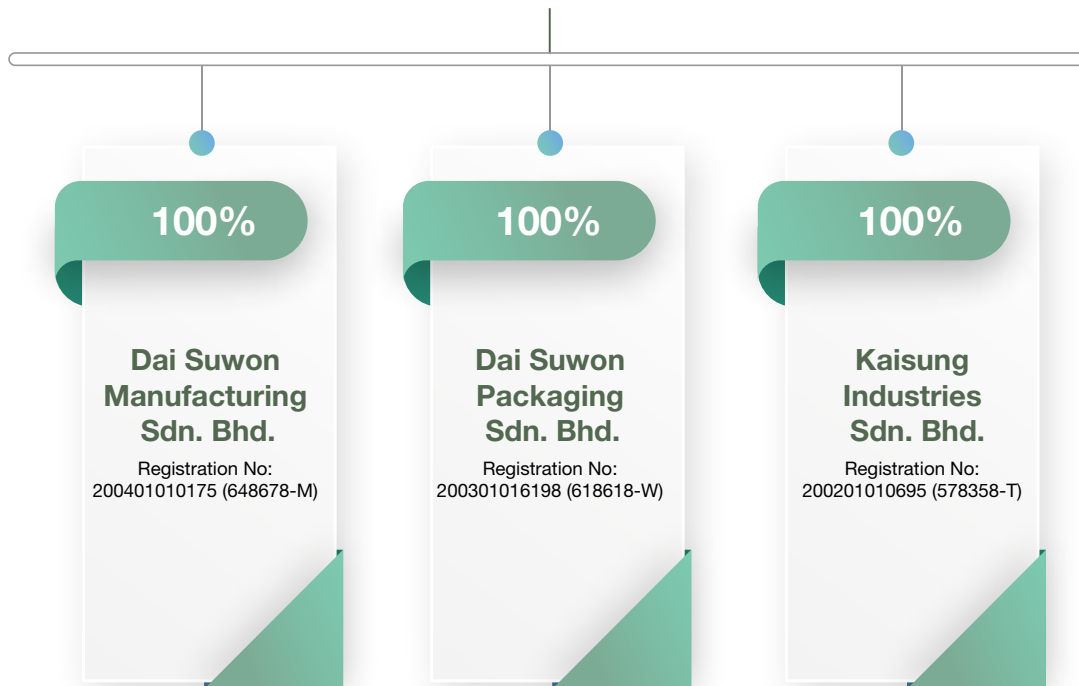
Public Investment Bank Berhad  
Level 27, Menara Public Bank 2,  
No. 78, Jalan Raja Chulan,  
50200 Kuala Lumpur,  
Wilayah Persekutuan  
Telephone : 03-2036 2800  
Facsimile : 03-2036 2860

# GROUP CORPORATE STRUCTURE



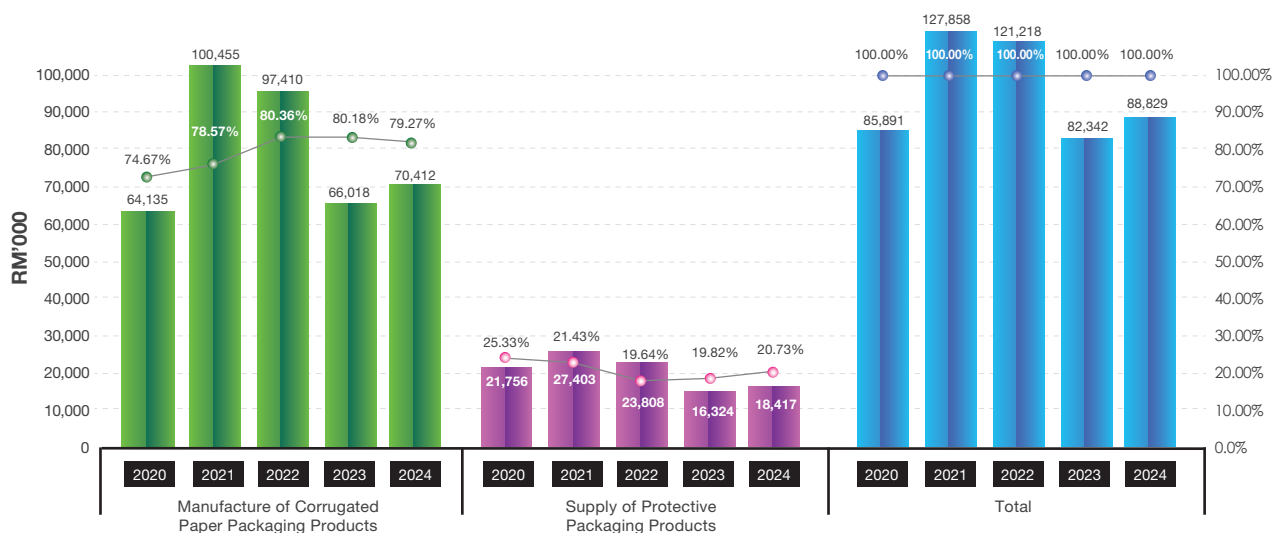
## DS SIGMA HOLDINGS BERHAD

(Registration No. 202101030362 (1430662-K))



## FINANCIAL HIGHLIGHTS

### REVENUE BY BUSINESS SEGMENTS



### GROSS PROFIT & GROSS PROFIT MARGIN



### PROFIT BEFORE TAX & PROFIT BEFORE TAX MARGIN



#### Note:-

Our Company was only incorporated on 20 September 2021. Financial years ended 2020, 2021 and 2022 were presented based on the historical combined audited financial statements of DS Sigma Holdings Berhad and its subsidiary companies.

## DIRECTORS' PROFILE

**Mohamad Ismail Bin Abu Bakar**  
 Independent Non-Executive Chairman

AGE 63



Malaysian



Male

<b>Date of appointment as Director</b>	: 16 February 2022
<b>Board Committee(s) served on</b>	: Nil
<b>Academic/Professional Qualification(s)</b>	: Bachelor of Science in Agribusiness, Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia)
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Nil
<b>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 ("the Group")</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>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.</p> <p>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.</p> <p>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 &amp; Medical Technology Division and Food Technology &amp; 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.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 6/6

## Directors' Profile

(Cont'd)

### Lucille Teoh Soo Lien

Managing Director

AGE 53



Malaysian



Female

<b>Date of appointment as Director</b>	: 20 September 2021
<b>Board Committee(s) served on</b>	: Nil
<b>Academic/Professional Qualification(s)</b>	: Sijil Tinggi Persekolahan Malaysia, St. Xavier's Institution
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:

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 the 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 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 have remained as our customer as at to-date. Currently as our Managing Director, she continues to assume the aforementioned role and responsibilities.

<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 6/6
--	-------

## Directors' Profile

(Cont'd)

### Beh Seng Lee

Executive Director



56



Malaysian



Male

<b>Date of appointment as Director</b>	: 20 September 2021
<b>Board Committee(s) served on</b>	: Nil
<b>Academic/Professional Qualification(s)</b>	: Bachelor of Science in Agribusiness, Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia)
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>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.</p> <p>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 the Group throughout the years. With 30 years of experience in the industry, he was responsible for the financial planning of the Group and on managing the costs and expenses on raw materials required for our manufacturing activities.</p> <p>He has been actively involved in the strategic business planning of the Group and he is currently overseeing our Group's non-paper based products segment.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 6/6



## Directors' Profile

(Cont'd)

### Beh Le Hao

Executive Director



24



Malaysian



Male

<b>Date of appointment as Director</b>	: 16 February 2022
<b>Board Committee(s) served on</b>	: Nil
<b>Academic/Professional Qualification(s)</b>	: Bachelor of Science in Actuarial Science, London School of Economics and Political Science, United Kingdom
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>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.</p> <p>He joined DS Packaging Sdn. Bhd. as the Executive Director in August 2021. He is currently responsible for managing the sales, research and development and procurement division. Additionally, he is involved in developing the business development and corporate strategies of the Group.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 6/6

## Directors' Profile (Cont'd)

### Lee Yew Weng

Independent Non-Executive Director



47



Malaysian



Male

<b>Date of appointment as Director</b>	: 16 February 2022
<b>Board Committee(s) served on</b>	: Audit and Risk Management Committee (Chairman) Remuneration Committee (Member) Nomination Committee (Member)
<b>Academic/Professional Qualification(s)</b>	: • Bachelor of Commerce, University of Adelaide, Australia • Chartered Accountant • Member of Certified Practising Accountant Australia • Member of the Malaysian Institute of Accountants
<b>Present Directorship(s)</b>	
<b>(i) Other Public Listed Companies</b>	: • Sunzen Biotech Berhad • Hiap Huat Holdings Berhad • Go Hub Capital Berhad
<b>(ii) Public Companies</b>	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:

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 AmlInvestment 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 AmlInvestment 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 more than 25 years of experience in accounting and financial services sectors.

**No. of Board meetings attended during the Financial Year Ended 30 June 2024** : 6/6

## Directors' Profile

(Cont'd)

### Loo Hee Guan

Independent Non-Executive Director



AGE 54



Malaysian



Male

<b>Date of appointment as Director</b>	: 16 February 2022
<b>Board Committee(s) served on</b>	: Remuneration Committee (Chairman) Audit and Risk Management Committee (Member) Nomination Committee (Member)
<b>Academic/Professional Qualification(s)</b>	: • Bachelor of Economics, Monash University, Australia • Bachelor of Laws, Monash University, Australia
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Ericson Foundation
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>In 1995, Mr. Loo began his career by chambering with Soo Thien Ming &amp; 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 &amp; 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.</p> <p>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 &amp; 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.</p> <p>He then left Raslan Loong, Shen &amp; 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 26 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.</p> <p>In March 2024, he had also taken up a role as an Executive Director in GS Holdings Limited, a public company listed on the Catalist of Singapore Exchange, to oversee its corporate affairs, business rationalisation and development, investor relations, compliance and corporate governance.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 6/6

## Directors' Profile (Cont'd)

### Maznida Binti Mokhtar

Independent Non-Executive Director



57



Malaysian



Female

<b>Date of appointment as Director</b>	: 16 February 2022
<b>Board Committee(s) served on</b>	: Nomination Committee (Chairperson) Audit and Risk Management Committee (Member) Remuneration Committee (Member)
<b>Academic/Professional Qualification(s)</b>	: <ul style="list-style-type: none"> <li>• Bachelor of Science in Economics (Honours), London School of Economics and Political Science, United Kingdom</li> <li>• Qualified with Institute of Chartered Accountants in England and Wales</li> <li>• Member of the Malaysian Institute of Accountants</li> </ul>
<b>Present Directorship(s)</b>	
<b>(i) Other Public Listed Companies</b>	: <ul style="list-style-type: none"> <li>• QES Group Berhad</li> <li>• JAG Berhad</li> </ul>
<b>(ii) Public Companies</b>	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>Puan Maznida began her career with Ernst &amp; 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.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 5/6

## Directors' Profile

(Cont'd)

### Hanani Hayati Binti Mohd Adhan

Independent Non-Executive Director



AGE 33



Malaysian



Female

<b>Date of appointment as Director</b>	: 1 March 2024
<b>Board Committee(s) served on</b>	: Nil
<b>Academic/Professional Qualification(s)</b>	: Bachelor of Laws (Honours), University of Malaya
<b>Present Directorship(s)</b>	
(i) Other Public Listed Companies	: Spritzer Bhd
(ii) Public Companies	: Nil
<b>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 Group</b>	: Nil
<b>Working experience and Occupation</b>	:
<p>Cik Hanani started her career as a Trainee Solicitor in March 2015 at Messrs Azmi &amp; Associates, one of the largest and established law firm in Malaysia with more than 80 solicitors. The firm is a full-service international law firm and was established in September 2000. She was called to the Malaysian Bar and admitted to the role of Advocate and Solicitor in January 2016 and was thereafter promoted as a Senior Associate in July 2020. She continued to serve at Messrs Azmi &amp; Associates as a Senior Associate until July 2021.</p> <p>She then moved to Messrs Adhan &amp; Yap as a Senior Associate in August 2021. She has been promoted to Managing Partner and has been managing the firm's branch at Tanah Merah since January 2023.</p>	
<b>No. of Board meetings attended during the Financial Year Ended 30 June 2024</b>	: 2/2

#### Notes:-

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

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

## PROFILE OF KEY SENIOR MANAGEMENT

### Goh Hooi Chin Chief Financial Officer

AGE 35



Malaysian



Female

**Date of appointment** : 18 March 2024

**Academic/Professional Qualification(s)** : 

- Bachelor of Science in Applied Accounting, Oxford Brookes University, United Kingdom
- Fellow Member of the Association of Chartered Certified Accountants
- 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 she has with the Company or its subsidiaries ("the Group")** : Nil

**Working experience** :

Ms. Goh is responsible for overseeing our Group's accounting and financial functions, including financial reporting, planning, taxation, treasury management, corporate affairs, and internal audit and control.

Ms. Goh brings over 13 years of experience across accounting, finance, corporate governance, audit, and risk management fields.

Her career began at KPMG PLT, Malaysia, where she specialised in audit and advisory services for property development, manufacturing, and hospitality industries from 2011 to 2015.

Prior to joining the Group, Ms. Goh held various positions in both public listed and private companies. Notable roles include Corporate Reporting Manager at DK Leather Seats Sdn. Bhd., Group Accountant at Kian Joo Can Factory Berhad, Senior Finance Manager at SMIS Corporation Berhad and Division Head of Corporate Finance at Senheng New Retail Berhad.

She subsequently joined the Group as Chief Financial Officer on 18 March 2024.

## Profile of Key Senior Management (Cont'd)

### Loi Guak Lian

Factory Director



62



Malaysian



Male

**Date of appointment** : 01 July 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 he has with the Group** : Nil

**Working experience** :

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 the 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



45



Malaysian



Male

**Date of appointment** : 18 November 2002

**Academic/Professional Qualification(s)** : 

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

**Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Group** : Nil

**Working experience** :

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



AGE 51



Malaysian



Male

**Date of appointment** : 11 April 2016

**Academic/Professional Qualification(s)** : • Masters in Business Administration accredited by the Irvine University, California, United States of America  
• Diploma in Mechanical Engineering, Workers Institute of Technology

**Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that he has with the Group** : Nil

**Working experience** :

Mr. Ramesh is responsible for overseeing the 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 as follows, 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 the Executive Director, Beh Seng Lee and cousin of the 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 with great pleasure that I present to you our Annual Report along with the audited financial statements of DS Sigma and its subsidiaries ("**Group**") for the financial year ended 30 June 2024 ("**FYE 2024**"). This past year has been one of continued growth, innovation, and transformation as we build upon our successes as a public-listed entity on the ACE Market to Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). FYE 2024 was a challenging year for the manufacturing sector as companies faced excess supply issues compounded by ongoing geopolitical tensions impacting demand. Despite these challenges, the Group implemented various strategies to lay the groundwork for future growth and sustainability objectives, such as investment in energy efficient equipment, expansion and enhancement of operational facilities and establishment of Packaging Innovation Centre Lab.

As a result, the Group managed to achieve a small growth but satisfactory financial performance, closing FYE 2024 with a revenue of RM88.83 million and a net profit of RM11.01 million. Core profit before taxation was RM14.46 million after excluding the one-off expenses associated with our transfer listing exercise to Main Market of Bursa Securities. Furthermore, one of our key strategic objectives for the coming financial year is to elevate our corporate profile by transferring our listing status from the ACE Market to the Main Market of Bursa Securities ("**Proposed Transfer**"). Securities Commission Malaysia has approved the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and under the Bumiputera equity requirement for public listed companies on 2 October 2024. The application in relation to the Proposed Transfer was approved by Bursa Securities on 22 October 2024. As such, we are excited to inform that the Proposed Transfer is expected to be completed in the coming weeks. This move is part of our broader strategy to enhance our visibility, attract a wider pool of investors, and align our business with higher compliance and corporate governance standards. We believe that this transition will reflect our growth trajectory and the maturity of our operations whilst positioning us for greater capital market opportunities to support our future expansion plans.

### STRONG FINANCIAL POSITION AND DIVIDEND

In FYE 2024, the Group continued to demonstrate resilience and financial strength, supported by a robust statement of financial position that has positioned us well to capitalise on emerging opportunities and mitigate potential risks. One of the highlights of FYE 2024 was our ability to generate and preserve cash in this uncertain and challenging environment. We adopted a cautious and selective approach to capital expenditures, focusing only on projects that drive future growth and transformation, while also optimising the use of our existing equipment through strategic load management.

The Board also declared a total dividend of 1 sen per share for FYE 2024, representing approximately 43.60% of our profit, reflecting our commitment to rewarding our investors while reinvesting in future growth.

Overall, the Group kept a low gearing ratio of 0.02, showing our careful approach to capital management. Our ability to reduce borrowings through the repayment of outstanding loans has strengthened our financial leverage, allowing us to maintain a healthy balance between debt and equity, ensuring that we remain financially agile and well-prepared to navigate any market volatility. Total shareholders' equity increased to RM114.25 million, reflecting the Group's commitment to reinvesting profits into sustainable growth and delivering consistent value to our shareholders. We ended FYE 2024 with our net assets per share growing to RM0.24.

## Chairman's Statement (Cont'd)

### FUTURE PROSPECTS

As we move forward into the next financial year, the Group is well-positioned to capture growth opportunities despite an increasingly competitive landscape. The Group remains committed to its vision of becoming a one-stop packaging solutions provider, leveraging its comprehensive product offerings, technical expertise, and strong industry reputation. Central to this effort is the establishment of our Packaging Innovation Centre Lab, which houses advanced packaging laboratory testing facilities and front-end design services. The Packaging Innovation Centre Lab will serve as a cornerstone of our value proposition, allowing us to work closely with customers to create packaging solutions that meet high quality and safety standards while supporting their sustainability goals through the Reduce, Reuse, and Recycle (“3Rs”) concept. By offering a full range of services from early design to thorough testing, we empower our customers to optimise packaging usage, reduce waste, and ultimately achieve cost efficiencies. This approach sets the Group apart from competitors and strengthens our image as a company that values sustainability and innovation.

Despite the challenging economic environment caused by ongoing geopolitical tensions and global demand disruptions, we remain positive and steadfast in our long-term vision. To adapt to changing market conditions and reduce the impact of global uncertainties, the Group has actively expanded into high-value sectors such as solar, automotive, and furniture packaging. This strategic diversification has already shown positive results in FYE 2024, as we successfully secured new customers in these sectors and deepened our presence in the electrical and electronics segment. Going forward, we plan to further expand our reach in these diversified markets, strengthening our position as a reliable partner that can provide comprehensive and innovative packaging solutions across various industries.

In line with our growth strategy, the Group is expanding its manufacturing footprint by acquiring land in the UMW Serendah High Value Park. This strategic location will serve as a new

production hub, providing us with the capacity to scale up our operations and accommodate future demand.

Looking ahead, we anticipate a mixed global economic environment with continued volatility in the industry. While challenges remain, the Group is committed to navigating the complex business landscape with resilience, agility, and maintaining strong customer relationships.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

In FYE 2024, the Group made good progress in advancing our ESG initiatives. On the environmental front, we installed rooftop solar panels at our own factory to reduce our carbon footprint, lowered in-house waste, and worked closely with our customers to promote 3Rs practices. Additionally, we achieved Forest Stewardship Council certification, highlighting our commitment to responsible sourcing of materials and sustainable practices. In terms of social responsibility, we ensured compliance with the Employment Act 2021 and international labour standards to maintain a safe and fair workplace, and we are also working towards obtaining ISO 45001 certification to further enhance our occupational health and safety standards. On governance, the Board remains dedicated to upholding the highest standards of governance and continuously reviews how to effectively implement and integrate these principles within our governance framework, ensuring it aligns with the Malaysian Code of Corporate Governance.

### WORDS OF APPRECIATION

I would like to extend my deepest gratitude to our shareholders, customers, and business partners for their continued trust and confidence in the Group. I also wish to thank our Board for their invaluable guidance and my fellow management team and employees for their unwavering dedication and hard work. We are confident that the Group is well-positioned to continue delivering long-term value to our shareholders and stakeholders.

**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 2024 (“FYE 2024”).**

The following MD&A of the operating performance and financial condition of the Group for the FYE 2024 should be read in conjunction with the Audited Financial Statements for the FYE 2024 and related notes thereto.

The information presented in the MD&A, including information relating to comparative year in 2023, is presented in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), unless otherwise stated.

#### BUSINESS MODEL

DS Sigma is a total packaging solutions provider with in-house manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets. The Group also supplies non-paper-based packaging products such as plastic, foam, rubber products and engineered plywood pallets. Our central office is located in Puchong whilst our manufacturing facilities are strategically positioned in Telok Gong and Nilai.

Our value proposition is built around delivering high-quality, customised packaging solutions that meet the diverse needs of our customers while incorporating sustainable practices. We aim to be a one-stop packaging partner by offering end-to-end services, from initial design and prototyping to production, logistics, and just-in-time delivery. In FYE 2024, we established our Packaging Innovation Centre Lab to provide front-end, value-added services such as packaging design, optimisation, and testing. This lab is equipped with international certified testing capabilities, allowing us to conduct a full range of tests including vibration, drop, and compression testing to ensure that packaging solutions meet global transit and safety standards. By leveraging these capabilities, we help customers to optimise packaging usage, enhance product protection, and achieve sustainability goals through Reduce, Reuse, and Recycle (“3Rs”).

Our major customers primarily operate in the electronics and electrical (“E&E”) sector. However, in FYE 2024, we expanded our business into new high-growth sectors such as renewable energy, automotive, and furniture industry, creating new opportunities to provide customised packaging solutions tailored to the unique requirements of these sectors.

#### FINANCIAL PERFORMANCE

##### Review of financial results

	FYE 2024 RM'000	FYE 2023 RM'000	Changes %
Revenue	88,829	82,342	7.88
Gross Profit	26,948	26,559	1.46
Profit Before Tax (“PBT”)	13,859	11,665	18.81
Profit After Tax (“PAT”)	11,009	8,164	34.85
Gross Profit Margin (%)	30.34	32.25	-1.91
PBT Margin (%)	15.60	14.17	1.43
PAT Margin (%)	12.39	9.91	2.48
Basic and Diluted earnings per share (sen)	2.29	2.21	3.62

## Management Discussion and Analysis

### (Cont'd)

The Group's revenue grew to RM88.83 million in FYE 2024, reflecting a notable increase of RM6.49 million, or 7.88%, compared to the financial year ended 30 June 2023 ("FYE 2023"). This growth was mainly driven by the addition of new customers in the renewable energy and furniture sectors. However, the current outlook for the E&E and renewable energy sectors remains uncertain due to several factors, including shifting government policies, fluctuating consumer demand, and other external influences. Nonetheless, the Group is committed to expanding its customer base by exploring opportunities in other high-growth industries.

The Group achieved a PBT of RM13.86 million for FYE 2024. Administrative expenses amounted to RM14.52 million, covering costs such as staff expenses, depreciation, maintenance, insurance, professional fees, transportation, and utilities. The increase in PBT was mainly due to the absence of one-off, non-recurring listing expenses of RM3.03 million incurred in FYE 2023. However, this was partially offset by transfer listing expenses of RM0.60 million incurred in FYE 2024.

	FYE 2024 RM'000	FYE 2023 RM'000	Changes %
Manufacture of corrugated paper packaging products	70,412	66,018	6.66
Supply of protective packaging products	18,417	16,324	12.82
Total revenue	88,829	82,342	7.88

By business segments, our Group's largest revenue contributor is the manufacture of corrugated paper packaging products, contributing 79.27% (RM70.41 million) of our total revenue during FYE 2024 (FYE 2023: RM66.02 million). Supply of protective packaging products accounted for 20.73% (RM18.42 million) and 19.82% (RM16.32 million) of the total revenue for the FYE 2024 and FYE 2023 respectively. This was mainly contributed by sales of low-density polyethylene ("PE") and high-density PE bags, foams and laminated PE foam bags.

### Review of financial position

	FYE 2024 RM'000	FYE 2023 RM'000	Changes %
Total assets	131,080	124,758	5.07
Total liabilities	16,828	17,916	-6.07
Total shareholders' equity	114,252	106,842	6.93
Net asset per share (RM)	0.24	0.22	
Current assets	96,328	95,585	
Current liabilities	11,954	9,120	
Current ratio (times)	8.06	10.48	

As at 30 June 2024, the Group's total assets stood at RM131.08 million, reflecting an increase of RM6.32 million compared to 30 June 2023. This growth was driven by ongoing capital expenditures aimed at boosting production capacity and efficiency, with total investments in FYE 2024 amounted to RM9.06 million. The Group's total liabilities decreased by RM1.09 million to RM16.83 million as at 30 June 2024, primarily due to the repayment of term loan. Shareholders' equity rose 6.93% year-over-year to RM114.25 million as at 30 June 2024. The higher shareholders' equity was mainly a result of the Group's increased net profit.

The Group's capital commitments as at 30 June 2024, amounted to RM9.15 million, including the expansion of the UMW High Value Manufacturing Park in Serendah. This site is intended to house a new factory to meet the growing demand from customers in the E&E and solar photovoltaic ("solar PV") industries.

## Management Discussion and Analysis (Cont'd)

### Review of cash flow

	FYE 2024 RM'000	FYE 2023 RM'000	Changes RM'000
Net cash from operating activities	12,044	12,497	-453
Net cash used in investing activities	(8,948)	(5,989)	-2,959
Net cash (used in)/from financing activities	(7,781)	42,919	-50,700

The Group's cash and cash equivalents decreased by RM4.69 million to RM70.76 million. Net cash from operating activities was RM12.04 million, while net cash used in investing activities was RM8.95 million, mainly for acquiring property, plant, and equipment. Net cash used in financing activities was RM7.78 million, mainly for payment of lease liabilities, term loan repayment, and dividend payout of RM3.60 million. Given the Group's net cash position, DS Sigma's net gearing ratio remains at an optimal level. The Group saw healthy current ratio of 8.06 times.

### Dividend

The Group has maintained a consistent track record of dividend distribution. After reviewing the Group's financial performance and its long-term and short-term commitments, the Board is recommending an interim dividend of one (1) cent per share, totalling RM4.80 million for FYE 2024 will be paid on 30 October 2024.

### REVIEW OF OPERATIONS AND BUSINESS STRATEGIES

DS Sigma remained committed to its role as a comprehensive one-stop packaging solutions provider, delivering a broad range of services to meet diverse customer needs. A key aspect of our value proposition is our expertise in structural packaging design aimed at packaging optimisation. We consider both container loading efficiency and product packaging efficiency to ensure our solutions are not only protective but also cost-effective and space efficient. This helps our customers reduce shipping costs, improve logistics efficiency, and minimise waste. With a strong focus on sustainability, the Group has reinforced its position by offering eco-friendly packaging designs and establishing an ISTA certified Packaging Innovation Centre Lab. This lab allows us to conduct in-depth packaging tests, such as vibration, compression, and drop testing, ensuring that our solutions meet international safety and durability standards. In FYE 2024, the Group achieved Forest Stewardship Council ("FSC") certification, underscoring our commitment to responsible sourcing and environmentally friendly practices. To further differentiate ourselves in the market, we offer tailored supply chain solutions to optimise logistics and inventory management for our customers. Our capabilities extend beyond manufacturing, as we provide assembly and packing services that allow customers to consolidate their packaging needs, reduce operational complexities, and streamline their supply chains.

In FYE 2024, the Group expanded its presence into the northern region of Peninsular Malaysia by leveraging our existing production capacity and forming strategic collaborations with local partners. This approach enabled us to efficiently extend our market reach without significant capital expenditure, ensuring a smooth entry into new geographical markets. Recognising the need for future growth, the Group achieved a major milestone by purchasing a 4-acre plot of land at the UMW High Value Manufacturing Park on 29 December 2023. The new factory on this land will not only expand our manufacturing capabilities but also strategically position us closer to new customers, enabling us to serve them more effectively. Furthermore, we are planning to set up a new warehouse facility in Penang to strengthen and better serve customers in the northern region. These strategic expansions highlight our commitment to scaling up operations, improving efficiency, and positioning DS Sigma as a forward-thinking packaging solutions provider.



## Management Discussion and Analysis

### (Cont'd)

	FYE 2024	FYE 2023	Changes
Inventory turnover period (days)	9.98	12.50	-2.52

Additionally, DS Sigma is committed to fostering a lean culture throughout its operations, emphasising efficiency and continuous improvement. This approach is supported by a strong inventory management system that optimises stock levels, minimises waste, and ensures timely delivery to customers. By leveraging real-time data and advanced forecasting tools, we are able to maintain a balanced inventory that meets customer demands without overstocking, contributing to better cost control and operational agility. Our lean culture not only drives productivity and process excellence but also supports our goal of delivering high-quality packaging solutions with minimal environmental impact.

### ANTICIPATED OR KNOWN RISKS

#### Customer Concentration Risk

Customer focus has always been a successful model for DS Sigma, creating mutual value by enhancing customer loyalty, driving growth, and improving overall business performance through focused sales and marketing efforts on key clients. However, the Group currently relies heavily on a few major customers, which contributes a significant portion of our revenue. This dependency exposes us to the risk of revenue fluctuations if any key customer reduces orders or shifts to another supplier.

In FYE 2024, we took strategic steps to mitigate this risk by reducing customer concentration by 17.72% (FYE 2023: 1.97%) through successful entry into new high-growth sectors such as solar PV, furniture, and electronics parts for automotive. This diversification was achieved through targeted sales and marketing efforts aimed at broadening our customer base and tapping into new markets. By expanding our reach, we not only strengthened our revenue streams but also improved our resilience against market volatility. Moving forward, we will continue to diversify our product offerings, improve operational efficiency, enhance price competitiveness, and focus on creating value through innovation, quality, customer service, and sustainable practices. These initiatives will help us reduce reliance on any single client, thereby ensuring the long-term stability and growth of the business.

#### Increasing Competition Risk

The packaging industry is becoming more competitive due to a growing number of players and an excess supply over demand in the market. This increased competition brings downward pressure on pricing and can affect profitability. To maintain our competitive edge, we focus on product innovation, quality, and service differentiation, while leveraging our Packaging Innovation Centre Lab and advanced testing capabilities to offer unique value-added services to our customers.

#### Human Capital Risk

As we expand our operations and adopt more automation technologies, managing our human capital becomes a critical challenge. There is a risk of skill gaps, labour shortages, and difficulties in retaining and attracting skilled talent needed to support our growth and automation efforts. To address this, we have implemented targeted training and development programs to upskill our workforce and are actively engaging in initiatives to build a strong talent pipeline.

#### Rising Operations Costs Risk

DS Sigma is exposed to rising operational costs driven by a combination of factors, including foreign exchange fluctuations, increasing raw material prices, and escalating labour costs. As a portion of our raw materials is procured in foreign currencies, particularly the US Dollar, any unfavourable currency movements could significantly raise input costs, affecting profitability. Additionally, the prices of key raw materials such as paper, plastics, and foam are subject to global supply-demand dynamics and geopolitical factors, leading to potential cost volatility. On top of this, rising labour costs, due to changes in labour regulations and increased minimum wages, add further pressure to our operational expenses. To mitigate these risks, we employ a multi-faceted approach that includes natural hedging strategies, active supplier management, cost optimisation through automation, and workforce training to maintain operational efficiency and protect margins.

## Management Discussion and Analysis (Cont'd)

### FORWARD-LOOKING STATEMENT

As we move into financial year ending 2025, DS Sigma approaches the year with cautious optimism, balancing our outlook for recovery and growth with the realities of ongoing global uncertainties. The unpredictable nature of the US-China trade tensions, coupled with geopolitical shifts, could potentially impact customer demand and disrupt supply chains. However, we remain focused on seizing new opportunities on high-value markets such as renewable energy, automotive, and E&E. Furthermore, we are not only tapping into sectors with strong growth potential but also reinforcing our mission to be the preferred packaging solutions partner for our customers. We are aligning our strategic focus with Malaysia's National Investment Aspirations and the National Investment Plan, which emphasise innovation, sustainability, and the growth of high-value sectors.

DS Sigma is also well-positioned to capture the growing demand for sustainable packaging solutions. With our focus on eco-friendly packaging designs, and the recent establishment of our Packaging Innovation Centre Lab, we are equipped to meet the rising preference for recyclable and biodegradable materials such as paper, board, and bio-plastics. This aligns us strongly with the sustainability trends seen in key markets like Western Europe and the United States, where companies are prioritising reduced packaging waste and improved recyclability to meet stringent environmental standards. Our proactive approach to sustainability not only meets current market expectations but also positions us as a preferred partner for customers seeking environmentally responsible packaging solutions.

Yours sincerely,

**Lucille Teoh Soo Lien**  
**Managing Director**



# SUSTAINABILITY STATEMENT

## ABOUT THIS SUSTAINABILITY STATEMENT

We are pleased to present the second annual sustainability statement (“**Statement**”) of DS Sigma Holdings Berhad (“**DS Sigma**” or “**Company**”) and its subsidiaries (collectively referred to the “**Group**”).

In this Statement, DS Sigma has taken initiatives to update our reporting strategy to more accurately reflect DS Sigma’s management approach towards business operations and sustainability, ensuring that our progress in these areas are clearly communicated and aligned with our ongoing commitment to excellence.

For broader understanding about DS Sigma’s operations and performance, kindly read this Statement in conjunction with other relevant information contained within this Annual Report (e.g. Chairman’s Statement, Management Discussion and Analysis, Corporate Governance Overview Statement, Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control).

### Statement Scope and Boundary

This Statement covers all operations, including subsidiaries where the Group has Manufacturing facilities. These manufacturing facilities are the primary contributors to our revenue, which consists of the manufacturing of corrugated carton boxes, paper pallets and supply of plastic and other protective packaging products. The manufacturing facilities accounts for 79.27% of the Group’s total revenue in financial year ended (“**FYE**”) 2024.

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

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

### Reporting Period and Cycle

The sustainability reporting period is for the FYE 2024 from 1 July 2023 to 30 June 2024, unless otherwise stated.

### Frameworks, Standards and Guides

This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) ACE Market Listing Requirements (“**ACE LR**”) with reference to the enhanced Bursa Securities Sustainability Reporting Guide (3rd edition) and supplemented with an array of frameworks, standards or guides based on their relevance and applicability, including:-

- Global Reporting Initiatives (“**GRI**”) Standards
- United Nations Sustainable Development Goals (“**UN SDGs**”)

### Statement of Assurance

DS Sigma has undertaken thorough internal reviews to ensure that the information reported is reliable and credible. Moving forward, we are looking to engage external independent assurance and undergo limited assurance exercise for selected sustainability performance data and processes.

### Feedback

We value your thoughts and concern and we welcome our stakeholders to share their feedback about this Statement which we positively regard as opportunities to help us continue improving our future disclosure practices. Please send your feedback to [investor@dssigma.com.my](mailto:investor@dssigma.com.my).

## Sustainability Statement (Cont'd)

### SUSTAINABILITY GOVERNANCE

In this current financial year, DS Sigma recognises sustainability as a paramount consideration in our Company. The Group has maintained its sustainability governance structure to effectively implement sustainability strategies and initiatives across the Group. This framework has been strategically designed to ensure the successful attainment of our sustainability objectives and aspirations and continues to provide strategic oversight of Environmental, Social and Governance (“ESG”) matters, risk management and the integration of ESG into our business model and processes.

Our governance framework ensures transparency, accountability, and compliance with sustainability principles across all levels of our organisation. It empowers us to make informed decisions that align with our sustainability vision and values, reinforcing our position as a responsible corporate citizen committed to creating enduring value for all stakeholders.

Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors of DS Sigma (“**Board**”) is the highest authority accountable for the Group’s sustainability strategy and performance. The Board comprises an Independent Non-Executive Chairman, Managing Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors. The Board holds the ultimate responsibility for the implementation and monitoring of all aspects of sustainability for the Group. It provides both oversight and leadership to ensure that the Group’s sustainability strategy supports long term value creation for all its stakeholders. The Board holds an important 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 Board is supported by the Audit and Risk Management Committee, Remuneration Committee, and Nomination Committee.

The Executive Directors including the Managing Director assist the Board of Directors to review, deliberate and approve the Group’s sustainability strategy and initiatives. All sustainability strategies and initiatives put forward by the Executive Directors must be endorsed by the Board.

DS Sigma is currently in the process of establishing a dedicated ESG Committee, but has yet to appoint a suitable candidate for the role. DS Sigma is committed to forming the ESG Committee by 30 June 2025.

The Board is supported by the Audit and Risk Management Committee, Remuneration Committee, and Nomination Committee, all of which are to be further supported by a dedicated 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. The ESG Committee will also assist to identify and engage relevant stakeholders, determine and manage material sustainability matters, propose sustainability initiatives, implement and monitor the Group’s sustainability agenda.



This structure embeds sustainability into our organisation’s culture, fostering a mindset that supports our sustainability goals.

As a continuous effort to enhance the sustainability management within the Group, sustainability matters are discussed as an agenda during the risk management, audit committee and Board meetings. The Board and the committees meet quarterly to update and track sustainability initiatives.

## Sustainability Statement

### (Cont'd)

### STAKEHOLDER ENGAGEMENT

DS Sigma has a broad range of stakeholder groups that are affected by our business activities. These stakeholders include investors, customers, suppliers, employees, government agencies and local communities in which we operate.

Communication is vital to DS Sigma as it help us to build strong and nurturing trust-based relationships between the Group and its stakeholders. As a Group, we aim to actively interact with our stakeholders through diverse communication channels with all of our stakeholders. We engage regularly and maintain an ongoing engagement with our stakeholders through both formal and informal channels with the aim of fostering the creation of long-term value across all stakeholders as well as soliciting feedback and input from our stakeholders on matters of significance to them.

The identification of stakeholders is guided by the materiality of issues, considering their impacts on the Group's operations and the number of stakeholders affected.

Outlined below is a matrix of our engagement strategies with stakeholders and areas of concern/interest during FYE 2024:-

Stakeholder	Areas of Concern/Interest	Method of Engagement
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Dividends</li> <li>Business strategy</li> <li>Shareholder value</li> </ul>	<b>A</b> Annual report <b>N</b> Annual and extraordinary general meetings <b>P</b> Corporate website <b>Q</b> Company announcements on Bursa Securities <b>N</b> Investor relations activities
<b>Employees</b>	<ul style="list-style-type: none"> <li>Occupation safety and health</li> <li>Balanced lifestyle</li> <li>Remuneration and welfare package</li> <li>Training and career development</li> </ul>	<b>Q</b> Performance appraisal <b>P</b> Internal newsletters <b>P</b> Team building and annual event <b>P</b> Training and development programs
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Customer-company relationship management</li> <li>Timely product delivery</li> </ul>	<b>P</b> Customer survey <b>N</b> Relationship management <b>P</b> Corporate website
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Timely payments</li> <li>Timely materials/products delivery</li> </ul>	<b>P</b> Evaluation on performance <b>N</b> Vendor registration (ad hoc, upon vendors' appointment) <b>P</b> Timely delivery (per delivery basis) <b>P</b> Payment to supplier (on agreed credit terms)
<b>Government Agencies and Regulators</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Waste management and environment compliance</li> <li>Labour practices and safety compliance</li> <li>Anti-bribery and corruption</li> </ul>	<b>A</b> Annual report <b>P</b> Meetings, seminars and trainings <b>N</b> Statutory submission <b>N</b> On-site inspections
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Impact of business operation</li> <li>Environmental impact</li> <li>Work opportunities</li> </ul>	<b>P</b> Customer relationship and engagement <b>P</b> Corporate Social Responsibility events <b>N</b> Job vacancy advertisements

#### Legend

**Q** = Quarterly    **A** = Annually    **N** = As and when needed    **P** = Periodically

## Sustainability Statement (Cont'd)

### MATERIALITY SUSTAINABILITY MATTERS

The Group conducted a comprehensive materiality assessment in FYE 2024. As the Group is aware of the importance of material matters, we take into account the implications for DS Sigma's business dynamics and their relevance to both our internal and external stakeholders.

At DS Sigma, we recognise that our material issues can significantly impact our long-term value creation for our stakeholders. In FYE 2024, we conducted a comprehensive materiality assessment, engaging both key internal and external stakeholders to ensure their interests and concerns are addressed to accurately identify the current and emerging sustainability issues associated with our organisation so that these matters can be reflected on our transformation plan.

We aim to conduct a comprehensive materiality assessment once every three (3) years, we also perform an annual review to reassess the relevance of our prioritised ESG impacts arising from our day-to-day activities.

In FYE 2024, we reassessed our material issues and mapped them against our focus areas. The reassessment had confirmed that our previously identified material issues have remained unchanged with the type of operations that we have today. This was due to there being no changes in our business scope, hence there will be no changes on our materiality matters.

#### Materiality Process

We piloted our materiality matters through the following process.

##### Phase 1: Identification and categorisation of ESG matters

Identification of material sustainability matters is to enable internal and external stakeholders to make better informed decisions (e.g. revisions of business strategies by the Board or investment decisions by shareholders) or facilitating more effective engagements with stakeholders. We had identified an initial list of relevant sustainability issues from a combination of internal and external sources and placing similar issues under the same heading. We also categorised these issues and ranked them in priority according to their importance to all of our key stakeholders.

##### Phase 2: Prioritisation of ESG matters

Assess the significance of ESG impacts on the Group's operations and stakeholders. Prioritise the ESG matters which is material and significant and holds material impact to business and importance to stakeholders.

##### Phase 3: Review and validation of ESG matters

Examine the prioritisation outcomes, validate material matters with management and organise the disclosure accordingly. Subsequently submitted to the Key Management for validation and approval.

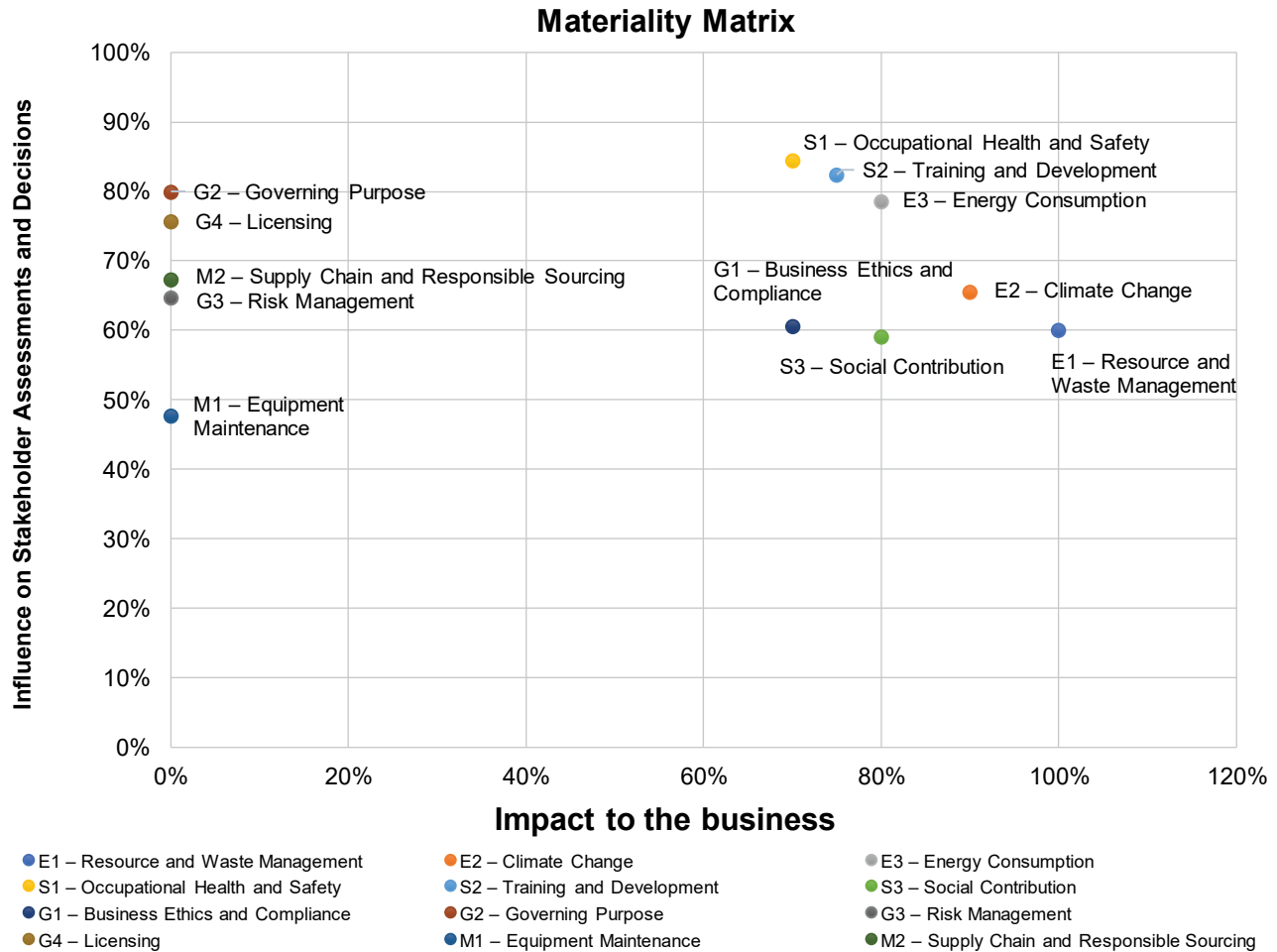
##### Phase 4: Final review and approval

The final materiality matrix was reviewed and approved by senior management and the Board to confirm it is aligned with our strategies. The review should be performed at least once annually.

Drawing from the guidelines set out by the enhanced Bursa Securities Sustainability Reporting Guide (3rd edition) and Toolkits, these issues were systematically collated and showcased on a materiality matrix. After a meticulous evaluation process, our material matters are outlined in the following materiality matrix which depicts the importance of each material matters based on its influence on stakeholder assessment and decisions.

## Sustainability Statement (Cont'd)

The material topics identified in FYE 2024 are illustrated in the diagram below:-



Material Sustainability Matter	Relevant Stakeholders	Our Responses
<b>E1 – Resource and Waste Management</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>Embrace the Reduce, Reuse and Recycle (“3Rs”) principle.</li> <li>Continuously monitor waste generation and management processes.</li> </ul>
<b>E2 – Climate Change</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>Install rooftop solar photovoltaic systems.</li> <li>Replace diesel forklifts with electric forklifts.</li> <li>Implement water-saving practices.</li> </ul>
<b>E3 – Energy Consumption</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>Install rooftop solar photovoltaic systems.</li> <li>Replace diesel forklifts with electric forklifts.</li> </ul>
<b>S1 – Occupational Health and Safety</b>	Employees and Local Communities	<ul style="list-style-type: none"> <li>Enforce the Occupational Safety and Health (“OSH”) policy.</li> <li>Ensure the use of appropriate safety equipment and personal protective equipment (“PPE”).</li> <li>Provide regular safety training and awareness programs.</li> </ul>

## Sustainability Statement (Cont'd)

Material Sustainability Matter	Relevant Stakeholders	Our Responses
<b>S2 – Training and Development</b>	Employees, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Provide regular training based on employees' needs, aligned with industry knowledge.</li> </ul>
<b>S3 – Social Contribution</b>	Shareholders and Investors	<ul style="list-style-type: none"> <li>• Sustainable financial performance delivers long-term value to stakeholders.</li> <li>• Continuously monitor financial performance to ensure expenses align with the budget and maintain financial stability.</li> </ul>
<b>G1 – Business Ethics and Compliance</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Guided by the Malaysian Code on Corporate Governance (“MCCG”) to ensure compliance with relevant laws and regulations.</li> <li>• Regularly review and update compliance policies and procedures to align with the latest industry best practices and regulatory changes.</li> <li>• Organise ongoing training sessions and awareness programs to ensure employees understand their compliance roles and responsibilities.</li> </ul>
<b>G2 – Governing Purpose</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Establish an effective governance structure to ensure comprehensive oversight and enforcement of anti-corruption and whistleblowing measures.</li> <li>• Implement formal policies and procedures such as Anti-Corruption Policy and Whistleblowing Policy.</li> </ul>
<b>G3 – Risk Management</b>	Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Implement a robust framework to systematically identify, assess, and mitigate compliance-related risks across the Group.</li> <li>• Conduct regular internal and external audits and risk assessments to identify and mitigate potential risks.</li> </ul>
<b>G4 – Licensing</b>	Shareholders, Investors, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Secure international certifications such as ISO 9001:2015, ISO 14001:2015, and Forest Stewardship Council (“FSC”) certification.</li> </ul>
<b>M1 – Equipment Maintenance</b>	Employees, Local Communities, Government Agencies and Regulators	<ul style="list-style-type: none"> <li>• Ensure the use of appropriate PPE.</li> <li>• Perform regular maintenance.</li> </ul>
<b>M2 – Supply Chain and Responsible Sourcing</b>	Customers, Shareholders, Investors, and Local Communities	<ul style="list-style-type: none"> <li>• Conduct thorough supplier screening and assessment processes.</li> <li>• Uphold fair and ethical procurement practices by providing equal opportunity for all suppliers.</li> <li>• Prioritise sourcing locally to support the economy and reduce carbon footprint.</li> </ul>

## Sustainability Statement (Cont'd)

### ECONOMIC PERFORMANCE

In FYE 2024, the Group generated total revenue of RM88.83 million (FYE 2023: RM82.34 million). Of this, RM70.41 million (FYE 2023: RM66.02 million) was attributed to the manufacturing of corrugated paper packaging products, while RM18.42 million (FYE 2023: RM16.32 million) resulted from the supply of protective packaging products. The Group also reported additional income of approximately RM107,000 from wastepaper and approximately RM3,000 from services, totalling approximately RM110,000 (FYE 2023: RM101,000) in supplementary earnings.

It is worth noting that the Group's operations are not significantly affected by 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. Additionally, the Group did not experience any gain or loss from changes in the fair value of financial liabilities for the year-to-date, as it did not have any financial liabilities subject to fair value measurement.

### MARKETPLACE

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.

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

All our plants are accredited by the FSC - Chain of Custody, allowing us to offer packaging products which utilises papers sourced from responsibly managed forests to our customers.



## Sustainability Statement (Cont'd)

### GOVERNANCE



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.

To foster a culture of integrity and uphold high ethical standards throughout our value chain, the following policies are in place:-

- Anti-Bribery and Corruption Policy (“**ABC Policy**”)
- Whistleblowing Policy (“**WB Policy**”)

The Group’s ABC Policy aligns with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and reaffirms our commitment to conducting business in compliance with anti-corruption laws in the countries where we operate. It also ensures that our organisation, directors, officers, and employees adhere to these regulations.

The WB Policy provides a confidential channel for reporting actual or suspected malpractice, including unethical behaviour, directly to the Managing Director, with the assurance of anonymity.

Whistleblowing is a platform to empower the employees at all level and stakeholders to report any genuine concerns about the wrongdoing that they may have observed within the Group.

Whistle-blowers can report any allegations or suspected improper activities that contravene our standards of integrity and fairness within the business environment, as well as incidents related to human rights violations and malpractice.

Whistle-blowing reports can be made via two (2) channels:-

1. For employment-related concerns can be reported to the Human Resources Manager via mailing a letter marked “Private and Confidential”.
2. If for any reason, it is inappropriate and impossible to do so, the concerns can be reported directly to the Managing Director via mailing a letter by marked “Private and Confidential”.

All reports received will be analysed by the Human Resources Manager and further discussed with the Managing Director to decide on the next appropriate course of action. Subsequent to the investigation, the outcome will be tabled in the Audit and Risk Management Committee (“**ARMC**”) Meeting. The ARMC or the Managing Director shall then report to the Board on reports and findings that require their attention and approval.

All managerial and key employees are required to declare and sign an Annual Statement of Compliance with Independence and Anti-Corruption Behaviour.



## Sustainability Statement (Cont'd)

### WORKPLACE

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 2024, the Group allocated an investment of RM47,825 (FYE 2023: RM17,378) towards both in-house and external training initiatives. These programs collectively provided employees with a total of 2,320 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.

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.

#### 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.

By actively engaging with our employees, we foster a strong sense of community and proactively address their needs.

In FYE 2024, we conducted a series of targeted employee engagement activities, including:-

1. Employee appreciation programmes such as annual dinners and long service awards
2. Festive celebrations
3. Monthly birthday celebrations
4. Team buildings

We firmly believe that promoting an active lifestyle is essential to enhancing our employees' well-being and plays a vital role in fostering 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.

Health, Safety and Environment ("HSE") Working Committees are established across relevant divisions and subsidiaries. Regular trainings on HSE and Personal Protective Equipment are conducted to promote a safe and conducive workplace for all.

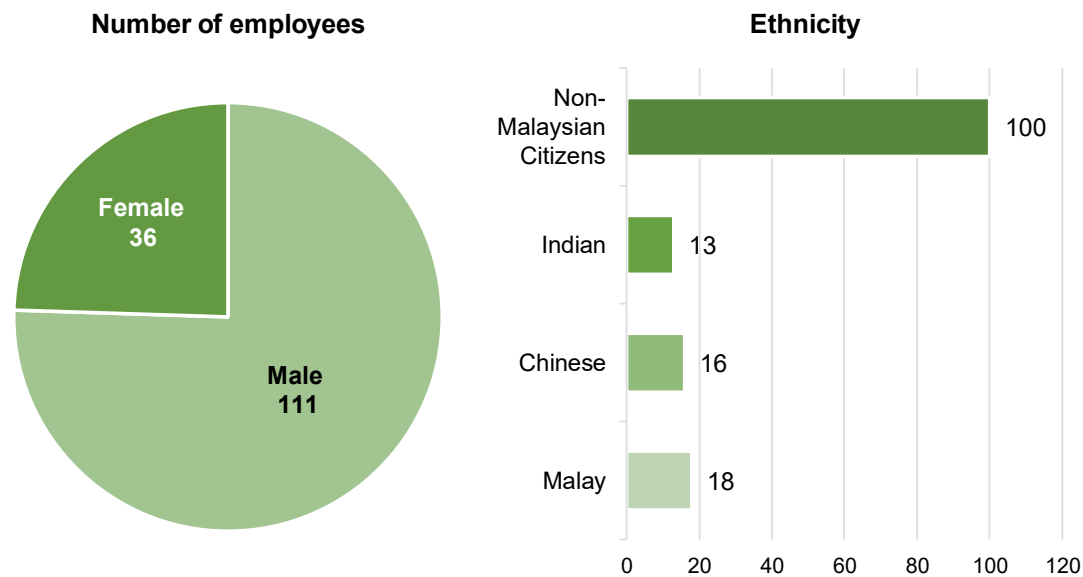
	FYE 2024	FYE 2023
No. of fatalities	0	0
Lost time injury rate	0	0
Number of employee attended health and safety training	114	85

## Sustainability Statement (Cont'd)

### Diversity, Equality, Inclusivity

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 2024, the workforce consists a total of 147 (FYE 2023: 133) employees. Among them, 111 (FYE 2023: 94) were males and 36 (FYE 2023: 39) were females. The ethnicity breakdown comprises 18 Malay employees, 16 Chinese employees, 13 Indian employees, and other non-Malaysian citizens (9 Bangladesh employees, 35 Myanmar employees and 56 Nepal employees). Overall, there are 47 local employees and 100 foreign employees.



As an employer that believes in nurturing talents and investing into their growth and development, 57.14% of our workforce are below aged 30 (FYE 2023: 44.36%), and 95.92% are below aged 50 (FYE 2023: 96.99%).

Employees by Age Group	FYE 2024	FYE 2023
<30	84	59
30-50	57	70
>50	6	4

To provide us with strategic vision and guidance, our Board consists primarily of individuals above 50 aged band. They are instrumental in steering the company and giving sage advice for us to make better informed decisions.

Board by Age Group	FYE 2024	FYE 2023
<30	1	1
30-50	2	1
>50	5	5

Nevertheless, the gender ratio of our Directors has improved, with 3 out of 8 Directors now being female (FYE 2023: 2 out of 7).

## Sustainability Statement

### (Cont'd)

#### COMMUNITY

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.

#### Supply Chain Management

We uphold fair and ethical procurement practices by ensuring equal opportunity for all potential and existing suppliers. Our selection process is transparent and based on objective criteria such as material quality, reliability, lead time, and cost. The Group is committed to responsible sourcing, considering social and environmental factors. We plan to gradually share key policies, such as Anti-Bribery, Environmental, Human Rights, Occupational Safety, and Whistleblowing, with our suppliers. Compliance with laws, regulations, and internal policies are strictly maintained.

Recognising our role in the supply chain, we prioritise sourcing from local suppliers to support the economy and reduce our carbon footprint. The Group fosters open communication with suppliers, aiming for mutually beneficial relationships. However, we maintain objectivity, following established guidelines to ensure competitiveness and prevent conflicts of interest.

	FYE 2024
Proportion of spending on local suppliers	96.99%

## Sustainability Statement (Cont'd)

### ENVIRONMENT

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 2024, we generated a total of 14.5kg (FYE 2023: 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.

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.

## Sustainability Statement

### (Cont'd)

#### 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.

#### Climate Action

As part of our ongoing commitment to sustainability, the Group has installed rooftop solar photovoltaic (“PV”) systems at both of our Telok Gong plants. Since March 2024, these systems have generated 70,295 kWh of clean energy, reinforcing our dedication to achieving net-zero carbon emissions from electricity consumption. By continuously integrating and optimising renewable energy solutions, we are making significant progress in reducing our environmental footprint and advancing toward our sustainability goals.

The Group replaced 4 diesel forklifts to electric forklifts to reduce emission footprint, with plans underway to gradually phase out all diesel models. By the next financial year ending 30 June 2025, the Group plans to replace more diesel forklifts to electric forklifts.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

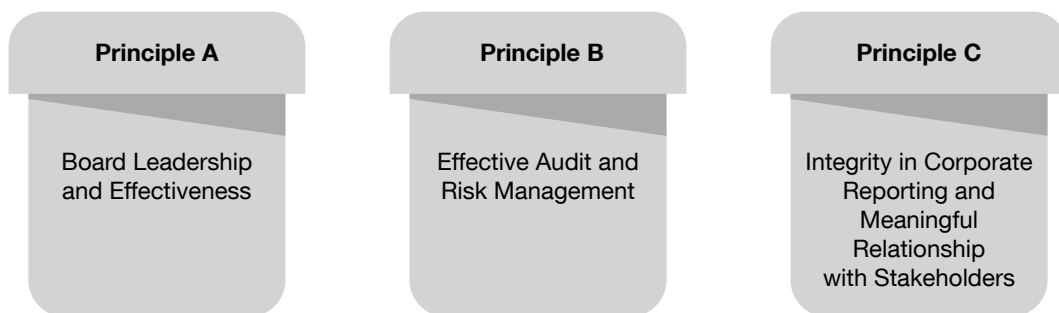
**“Corporate governance”** is the system of rules, practices and processes by which a company is directed and controlled.

The Board of Directors (**“Board”**) of DS Sigma Holdings Berhad (**“DS Sigma”** or **“Company”**) 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 providers in Malaysia, the Board is committed towards ensuring good CG practices are implemented and maintained throughout the Company and its subsidiaries (collectively referred to as **“Group”**) as a fundamental part of discharging its duties to protect shareholders' interests.

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 Malaysian Code on Corporate Governance (**“MCCG”**) issued by the Securities Commission Malaysia 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 2024 (**“FYE 2024”**), which are available for public access on the Company's corporate website at:-

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

The CG Report provides the detailed explanations on how the Company has applied each practice as set out in the MCCG during the FYE 2024.





## Applicable Period

This CG Statement covers the period up to 30 June 2024 or where applicable, up to 30 September 2024 (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 the Company
<b>Practice 1.1</b>  <b>Key Responsibilities of the Board</b>	<ul style="list-style-type: none"> <li>Strategic planning and direction to the management team.</li> <li>Group business overview and financial performance oversight.</li> <li>Risk Management oversight – assisted by Audit and Risk Management Committee (“<b>ARMC</b>”).</li> <li>Internal control and compliance – ensure robustness, adequate and with integrity.</li> <li>Stakeholders’ communication – designated spokesperson for external parties and general public.</li> <li>Human resources planning and remuneration – ensure the management team retain key senior management personnel with integrity and competence.</li> </ul>
<b>Practice 5.2</b>  <b>At least half of the Board comprises Independent Directors</b>	<ul style="list-style-type: none"> <li><b>62.5%</b> of the Board comprises Independent Non-Executive Directors (“<b>INEDs</b>”) and the remaining 37.5% are Executive Directors (“<b>EDs</b>”).</li> </ul> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   <b>3 EDs</b> </div> <div style="text-align: center;">   <b>5 INEDs</b> </div> </div>
<b>Practice 5.8</b>  <b>The Nominating Committee is chaired by an Independent Director or the Senior Independent Director</b>	<ul style="list-style-type: none"> <li>The Nomination Committee (“<b>NC</b>”) is chaired by Puan Maznida Binti Mokhtar (“<b>Puan Maznida</b>”), an INED.</li> </ul>
<b>Practice 5.9</b>  <b>The Board comprises at least 30% women Directors</b>	<ul style="list-style-type: none"> <li><b>37.5%</b> (3 out of 8 members) of the Board comprises women Directors.</li> </ul> <div style="text-align: center;">  </div>
<b>Practice 6.1</b>  <b>Formal and objective annual evaluation on Board, its committees and each Individual Director</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Adoption of Step-up Practice 9.4</b>  <b>The Audit Committee should comprise solely of Independent Directors</b>	<ul style="list-style-type: none"> <li>The ARMC comprises solely of three (3) INEDs.</li> </ul> <div style="text-align: center;">   <b>INEDs</b> </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 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 ARMC, 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/Chairperson or representative of each Committee and tabling of Minutes of Board Committees' meetings 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) To provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
- (b) To ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCGG;
- (c) To appoint the Board Committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon;
- (d) To promote, together with the senior management, good corporate governance culture within the Group which reinforce ethical, prudent and professional behaviour, including overseeing the ethical conduct of business and preventing bribery on the Group's business;
- (e) To review, challenge and decide on Management's proposals for the Group and monitor its implementation by Management;
- (f) To set, review and adopt strategic plans, business plans, risk management, values and standards for the Group and to ensure that the Group's strategic plan supports long-term value creation, focusing on economic, environmental and social considerations underpinning the sustainability of the Group;
- (g) To supervise and assess Management's performance to determine whether the business is being properly managed;
- (h) To ensure there is a sound framework for internal controls and risk management;
- (i) To understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- (j) To set the risk appetite within which the Board expects Management to operate and ensure there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks faced by the Group;
- (k) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- (l) To ensure that the Group has in place procedures to enable effective communication with stakeholders;
- (m) To ensure that all Directors are able to understand financial statements and form a view on the information presented;
- (n) To ensure the integrity of the Group's financial and non-financial reporting; and
- (o) To ensure that the Group's sustainability strategies, priorities and targets as well as performance against such targets are communicated to the Company's shareholders and other stakeholders.



## Corporate Governance Overview Statement (Cont'd)

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

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 2. Responsibilities of the Board Chairman

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

- (a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
- (b) leading the Board in the adoption and implementation of good corporate governance practices in the Company;
- (c) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- (d) leading Board meetings and discussions;
- (e) encouraging active participation and allowing dissenting views to be freely expressed;
- (f) managing the interface between Board and Management; and
- (g) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

##### 3. Separation of the Positions of the Board Chairman and Managing Director ("MD")

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

En. 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. Whereas Ms. Lucille Teoh Soo Lien ("**Ms. Lucille Teoh**"), MD, ensures 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.

In addition, the Independent Non-Executive Chairman, En. Ismail is not a member of the Board Committees.

The roles of the Chairman of the Board and the MD are clearly demarcated and defined in the Board Charter of the Company.

##### 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.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 4. Company Secretaries (Cont'd)

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

- (a) Manage all Board and committee meeting logistics, attend and record minutes of all Board and committee meetings and facilitate Board communications;
- (b) Advise the Board on its roles and responsibilities;
- (c) Facilitate the orientation of new Directors and assist in Director training and development;
- (d) Advise the Board on corporate disclosures and compliance with Company and securities regulations and ACE LR;
- (e) Manage processes pertaining to the annual shareholder meeting;
- (f) Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
- (g) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (h) Carry out other functions as deemed appropriate by the Board from time to time.

For the FYE 2024, 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 the Companies Commission of Malaysia for the FYE 2024.

For FYE 2024, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its duties and functions.

##### 5. Timely Circulation of Meeting Materials

The Board fixes the annual meeting schedule by the end of financial 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.

The notices of the scheduled Board meetings are served to the Directors at least seven (7) 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.

All Directors are furnished with a comprehensive Board meeting agenda, minutes of meeting and relevant information materials and documents at least five (5) business days in advance at each Board meeting 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.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 6. Board Charter

The Board has adopted a Board Charter outlining the authority, responsibilities, membership and operation of the Board and Management as well as the matters reserved for the Board, adopting principles of good corporate governance and practices, in accordance with applicable laws in Malaysia.

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

The latest Board Charter is available for viewing under the “Investor Relations” section of the Company’s corporate website at <https://www.dssigma.com.my/>.

##### 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/re-election of 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 Policy is available for viewing under the “Investor Relations” section of the Company’s corporate website at <https://www.dssigma.com.my/>.

##### 8. Code of Conduct and Ethics

The Board has established a Code of Conduct for the Group and Code of Ethics for Directors (collectively referred to as “**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 and will be reviewed as and when required.

There was no report of concern received by the Company for the FYE 2024.

The Code are available for viewing under the “Investor Relations” section of the Company’s corporate website at <https://www.dssigma.com.my/>.

## Corporate Governance Overview Statement (Cont'd)

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

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 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 report or disclose 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.

Anyone with genuine concerns in relation to unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements may forward his/her 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 person:-  <u>ARMC Chairman</u> - Mr. Lee Yew Weng at e-mail address: ac.chairman@dssigma.com.my
For employment-related concerns, one can report directly to the following designated person:-  <u>Human Resources Manager</u>  Mail the letter by marking "Private and Confidential" to the following address:- To: Human Resources Manager c/o: DS Sigma Holdings Berhad No. 36, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan
For any concerns from the shareholders/stakeholders, one can e-mail to the following designated Director:-  <u>Board Chairman</u> - En. Ismail at e-mail address: bod.chairman@dssigma.com.my

For the FYE 2024, 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 (Amendment) Act 2018.

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	ED
Mr. Beh Le Hao	ED

## Corporate Governance Overview Statement (Cont'd)

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

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### 11. Sustainability

The Board acknowledges its responsibilities over the governance of sustainability in the Group and strives to strike a balance between achieving business strategies and promoting sustainability.

The Board has on 21 February 2022 established a Sustainability Policy to support long-term sustainable value creation and returns for the Company. The said Policy defines, among others, the Company's principles and approach, sustainability focus areas, as well as the scope and governance for its implementation and monitoring.

With the Sustainability Policy in place, the Board will be able to monitor Management's effectiveness in integrating sustainability considerations in the day-to-day operations of the Group by setting the Company's sustainability strategies, priorities and targets.

The Board ensures that the Group's sustainability strategies and risk management processes are communicated effectively to all internal and external stakeholders.

The Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations as below:-

- (a) Internal – e-mails, employee engagement, dialogues, etc; and
- (b) External – corporate website, press releases, general meetings, quarterly financial announcements, etc.

As addressing material sustainability risks and opportunities is the responsibility of the Board and Key Senior Management, the performance evaluation of the Board and Key Senior Management includes the consideration of Environmental, Social and Governance ("ESG") issues or sustainability.

The NC and Board would assess the training needs of the Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.

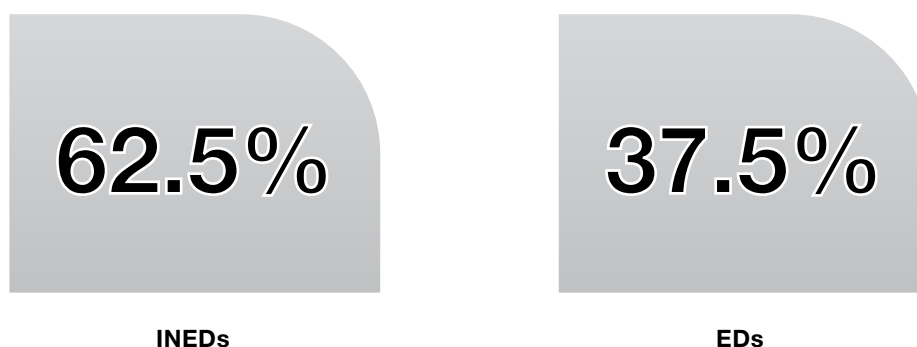
The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

#### II. BOARD COMPOSITION

##### 1. Size and Composition of the Board

For the FYE 2024, the Board comprises eight (8) members, five (5) of whom are INEDs and the remaining three (3) are EDs. The Board comprises a majority of Independent Directors which is in compliance with Rule 15.02(1) of the ACE LR, as well as Practice 5.2 of the MCGG.

##### Board Composition



## Corporate Governance Overview Statement (Cont'd)

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

#### II. BOARD COMPOSITION (CONT'D)

##### 1. Size and Composition of the Board (Cont'd)

The NC has ensured the Board structure is reviewed annually and ensured that no individual or group of individuals dominates the Board's decision-making process. The composition of the Board provides an effective mix of industry-specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The individuality and vast experience of the Directors in arriving at collective decisions at board level will ensure impartiality.

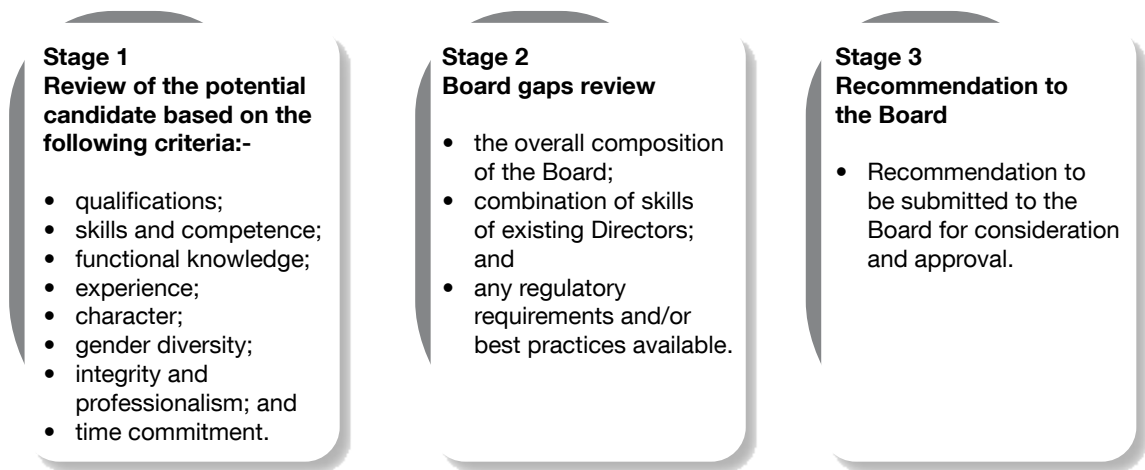
##### 2. Tenure of Independent Directors

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 Director after a cumulative term of nine (9) years, justifications from the Board and shareholders' approval at a general meeting through two-tier voting 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 NC will not limit themselves by solely relying on the recommendations from the existing Board members, Management or major shareholders, but also will utilise independent sources to identify suitably qualified candidates including but not limited to the sourcing from a directors' registry and open advertisements or the use of independent search firms.

Cik Hanani Hayati Binti Mohd Adhan ("**Cik Hanani**") was appointed as an Independent Non-Executive Director to the Board on 1 March 2024. The sourcing process was carried out using independent source.

The Group Human Resources Department 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)

##### 3. Procedures for Appointment of Directors (Cont'd)

For the FYE 2024, based on the selection of the Human Resources Manager, the Management recommended the proposed appointment of Ms. Goh Hooi Chin as the Chief Financial Officer of the Company for the NC's assessment. Upon the assessment and recommendation from the NC, the Board appointed Ms. Goh Hooi Chin as the Chief Financial Officer of the Company in place of Mr. Lai Jian Hong on 18 March 2024.

##### 4. Boardroom Diversity

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

For the FYE 2024, the Board has indicated its commitment to boardroom diversity as follows:-

##### ***Ethnicity Diversity***

The Board believes in the sharing of viewpoints by Directors from different ethnic backgrounds as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached.

En. Ismail and Puan Maznida and Cik Hanani, three (3) INEDs of Malay ethnicity, while the remaining INEDs and EDs are of Chinese ethnicity are able to share a variety of viewpoints for the Board's deliberation.

##### ***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 48, it underlies the Board's commitment to age diversity at the Board level appointment.

##### ***Gender Diversity***

The Board comprises three (3) women Directors, equivalent to 37.5% women representation on the Board, exceeding the 30% target as envisaged in Practice 5.9 of the MCCG.

##### 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.

- **ARMC**

The membership, a summary of works of the ARMC and Internal Audit Function and Activities in respect of the FYE 2024 are stated in the **ARMC Report** and the **Statement on Risk Management and Internal Control** of this Annual Report.

- **NC**

The NC is chaired by Puan Maznida, an INED.

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

## 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)**

The Chairperson of the NC is responsible to lead the NC to carry out an 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 2024, 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 which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investor Relations" section of the Company's corporate website at <https://www.dssigma.com.my/>.

##### a) **Summary of Works**

The following works were undertaken by the NC during the Applicable Period:-

- (i) Reviewed and confirmed the minutes of the preceding NC meetings;
- (ii) Assessed the fit and properness and suitability of Cik Hanani's appointment as an additional INED of the Company and recommended the same to the Board for approval;
- (iii) Assessed the fit and properness and suitability of Ms. Goh Hooi Chin's appointment as new Chief Financial Officer of the Company and recommended the same to the Board for approval;
- (iv) Examined the composition of the Board and Board Committees;
- (v) Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board;
- (vi) Reviewed the meetings attendance of the Board and Board Committees for the FYE 2024 and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- (vii) Evaluated the contribution and performance of each individual Director;
- (viii) Assessed the effectiveness of the Board as a whole and the Board Committees;
- (ix) Reviewed the term of office of the ARMC and assessed its effectiveness as a whole;
- (x) Reviewed the length of service and independence of the INEDs and assessed their ability to bring independent and objective judgement to Board deliberations and proposals;
- (xi) Reviewed the training programmes attended by the Directors for the FYE 2024 and identified the training needs of the Directors for the financial year ending 30 June 2025 ("FYE 2025"); and
- (xii) Assessed the fit and properness and suitability of the Director(s) who will be standing for re-election at the forthcoming 3rd AGM of the Company and recommended the same to the Board for approval.



## 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**

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 the FYE 2024 was as follows:-

##### **Board Meetings**

Name of Directors	Number of Meetings Attended/Held	%
En. Ismail ( <i>Chairman</i> )	6/6	100.00
Ms. Lucille Teoh	6/6	100.00
Mr. Beh Seng Lee	6/6	100.00
Mr. Beh Le Hao	6/6	100.00
Mr. Lee Yew Weng	6/6	100.00
Mr. Loo Hee Guan	6/6	100.00
Puan Maznida	5/6	83.33
Cik Hanani	2/2	100.00

##### **ARMC Meetings**

Name of Directors	Number of Meetings Attended/Held	%
Mr. Lee Yew Weng ( <i>Chairman</i> )	5/5	100.00
Mr. Loo Hee Guan	5/5	100.00
Puan Maznida	4/5	80.00

##### **NC Meetings**

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

##### **RC Meetings**

Name of Directors	Number of Meetings Attended/Held	%
Mr. Loo Hee Guan ( <i>Chairman</i> )	2/2	100.00
Mr. Lee Yew Weng	2/2	100.00
Puan Maznida	2/2	100.00

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 2024.

## 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

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 Part I as prescribed by Bursa Securities. The members of the Board who have yet to complete their Mandatory Accreditation Programme Part II will complete it before the stipulated deadline.

The Directors had participated in the following training programmes during the FYE 2024:-

Dates	Description of Training Programmes
<b>En. Ismail</b>	
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
<b>Ms. Lucille Teoh</b>	
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
<b>Mr. Beh Seng Lee</b>	
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
<b>Mr. Beh Le Hao</b>	
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
<b>Mr. Lee Yew Weng</b>	
12 – 15 August 2023	Principle of Wealth
20 September 2023	Anti-Corruption Training
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
23 – 24 January 2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

## 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)**

The Directors had participated in the following training programmes during the FYE 2024:-  
(Cont'd)

<b>Mr. Loo Hee Guan</b>	
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement

<b>Puan Maznida</b>	
19 – 20 September 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
29 September 2023	Awareness of MACC 17A & Corruption, Bribery & Legal Requirement
30 October 2023	ICDM Board NRC Dialogue & Networking (2023) - Remuneration Report Launch
27 November 2023	Audit Oversight Board Conversation with Audit Committees
10 May 2024	ICDM PowerTalk: Being Sued as an INED - A Personal Journey, Chithra Ganesalingam, Former Non-Executive Chairman of Apex Equity Holdings Berhad & Senior Associate at Wong Lu Peen & Tunku Alina
11 – 12 June 2024	MIA International Conference 2024

<b>Cik Hanani</b>	
05 – 06 July 2023	Mandatory Accreditation Programme Part I
29 August 2023	Looking Beyond Uncertainties in 2023

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 the FYE 2024 were adequate.

##### ***Training Needs of the Directors for the FYE 2025***

During the Applicable Period, the NC had conducted a review of the training needs of the Directors for the FYE 2025. Upon review, the NC would encourage the Directors to attend more than one (1) continuing education programme during the FYE 2025, 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 2024 are stated in Principle A, Section II Paragraph (9) of this CG Statement.

## 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 the Board and Individual Directors

The Board has delegated to the NC to carry out annual assessment on the effectiveness of the Board, its Committees and each individual Director.

During the Applicable Period, 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 2024. The evaluation results were compiled by the Company Secretaries and tabulated at the NC Meeting, for the NC's review:-

##### (i) Directors' self evaluation

The Director's self-evaluation was assessed by way of self-assessment and the performance of the individual Directors was assessed based on the following criteria:-

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

Based on the assessment conducted for the FYE 2024, the NC is satisfied with the performance of the individual Directors.

##### (ii) Evaluation of the Board and Board Committees

The evaluation of the Board and the Board Committees was assessed based on the following criteria:-

- (i) Mix and composition of the Board;
- (ii) Quality of information and decision making;
- (iii) Boardroom activities;
- (iv) Board's relationship with the Management;
- (v) ESG issues or sustainability; and
- (vi) Board Committees.

The NC was satisfied with the performance of the Board and the Board Committees for the FYE 2024, 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 independence assessment was carried out based on the criteria as prescribed by the Bursa Securities ACE LR.

Based on the assessment conducted for the FYE 2024, the NC is satisfied that the INEDs had fulfilled independence requirement in accordance with ACE LR of Bursa Securities and would not impede their independence in carrying out their duties in the Board and Board committees' meetings 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 recommendations to the Board on the eligibility of the Directors to stand for re-election at the AGM.

During the Applicable Period, the NC conducted assessment on Cik Hanani, En. Ismail and Mr. Beh Le Hao ("**Retiring Directors**") who would retire at the forthcoming 3rd AGM of the Company pursuant to Clauses 21.11 and 21.7 of the Constitution of the Company, based on the following criteria:-

- Mix of skills;
- Character;
- Experience;
- Integrity;
- Competence;
- Time commitment to discharge their roles;
- Results from evaluation of individual director performance; and
- Results from Director's fitness and properness evaluation.

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 forthcoming 3rd AGM.

The profiles of the Directors who are due to retire are set out in the Directors' Profile in this Annual Report.

##### 9. RC

The members of the RC comprises 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 which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investor Relations" section of the Company's corporate website at <https://www.dssigma.com.my/>.

##### **Summary of Works**

The following works were undertaken by the RC during the Applicable Period:-

- (i) Reviewed and confirmed the minutes of the preceding RC meetings;
- (ii) Deliberated on the remuneration package of the Executive Directors for the FYE 2025 and bonus for the FYE 2024 and recommended the same to the Board for approval;
- (iii) Reviewed the Directors' fees payable to the Directors of the Company for the FYE 2024 and FYE 2025 and recommended the same to the Board for approval; and
- (iv) Reviewed the remuneration package of the top five (5) senior management of the Group for the FYE 2025 and bonus provision for the FYE 2024.

## Corporate Governance Overview Statement (Cont'd)

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

#### III. REMUNERATION

##### 1. Directors' and Senior Management's Remuneration

The Board had adopted a Directors' 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' Remuneration Policy.

A copy of the said policy is available for viewing under the "Investor Relations" section of the Company's corporate website at <https://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 2024, the aggregate of remuneration received and receivable by the EDs and INEDs for the Group and the Company, respectively, categorised into appropriate components, are disclosed 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
<b>Independent Non-Executive Directors</b>							
En. Ismail	72	-	-	-	-	-	72
Mr. Lee Yew Weng	60	-	-	-	-	-	60
Mr. Loo Hee Guan	60	-	-	-	-	-	60
Puan Maznida	60	-	-	-	-	-	60
Cik Hanani	12	-	-	-	-	-	12
<b>Managing Director</b>							
Ms. Lucille Teoh	-	-	3,000	-	-	571	3,571
<b>Executive Directors</b>							
Mr. Beh Seng Lee	-	-	3,000	-	-	571	3,571
Mr. Beh Le Hao	-	-	240	20	-	51	311

## 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
<b>Independent Non-Executive Directors</b>							
En. Ismail	72	-	-	-	-	-	72
Mr. Lee Yew Weng	60	-	-	-	-	-	60
Mr. Loo Hee Guan	60	-	-	-	-	-	60
Puan Maznida	60	-	-	-	-	-	60
Cik Hanani	12	-	-	-	-	-	12
<b>Managing Director</b>							
Ms. Lucille Teoh	-	-	-	-	-	-	-
<b>Executive Directors</b>							
Mr. Beh Seng Lee	-	-	-	-	-	-	-
Mr. Beh Le Hao	-	-	-	-	-	-	-

##### 3. Remuneration of top five (5) senior management

Remuneration for the top five (5) senior management (excluding the Managing Director of the Company) of the Group for the FYE 2024 was disclosed in the CG Report in bands of RM50,000/-.

The Board opined that the disclosure on a named basis for the top five (5) senior management's remuneration, 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' Remuneration Policy.

During the FYE 2024, the RC had reviewed and assessed the remuneration package of the top five (5) senior management in respect of the FYE 2024.

The RC is of the view that the level of remuneration package of the top five (5) senior management in respect of the FYE 2024 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

The ARMC is chaired by Mr. Lee Yew Weng, who is a separate person from the chair of the Board.

The membership, a summary of works of the ARMC and Internal Audit Function and Activities in respect of the FYE 2024 are stated in the **ARMC report** of this Annual Report.

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

None of the ARMC members was a former partner of the external audit firm of the Company. In line with the MCCG, the Board has adopted the Terms of Reference of the ARMC requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

##### 3. Assessment on External Auditors

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 Annual General Meeting.

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

During the Applicable Period, the ARMC carried out the annual assessment and the details are explained in the CG Report.

The ARMC noted for the FYE 2024, 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 2025. The Board has in turn, recommended the same for shareholders' approval at the forthcoming 3rd AGM of the Company.

##### 4. Skillsets of the ARMC

The NC conducts evaluation annually to assess the performance and skillsets of the ARMC members. 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 training and development programmes as detailed in Principle A, Section II, Paragraph (5)(c) in this CG Statement.



## Corporate Governance Overview Statement (Cont'd)

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

#### II. RISK MANAGEMENT AND INTERNAL CONTROL ("RMIC") FRAMEWORK

##### 1. RMIC Framework

The Board has in place an effective RMIC framework for the Group. Further details on the features of the RMIC framework, and the adequacy and effectiveness of this framework have been disclosed in the ***Statement of Risk Management and Internal Control*** of this Annual Report.

##### Risk Management

###### **ARMC**

The ARMC was formed by the Board to oversee the Company's risk management framework, function and policies.

###### **RMWG**

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 the ARMC.

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 the FYE 2024 by an independent outsourced internal audit service provider using a systematic and disciplined approach. 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.

During the FYE 2024, the Board opined that the risk management and internal controls of the Group were effective and adequate.

##### 2. Key Features of the RMIC Framework

The ***Statement on Risk Management and Internal Control*** as set out in this 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;
- (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 the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.

During FYE 2024, 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 2024 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 Annual Report.

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

#### I. ENGAGEMENT WITH STAKEHOLDERS

##### 1. Communication with Stakeholders

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 the 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;
- (b) Annual Reports;
- (c) Annual General Meeting/General Meetings;
- (d) Corporate Website; and
- (e) Investor Relations Activities.

## Corporate Governance Overview Statement (Cont'd)

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

#### II. CONDUCT OF GENERAL MEETINGS

##### (a) Notice of AGM

The Notice of the Second Annual General Meeting ("**2nd AGM**"), together with the Annual Report for the financial year ended 30 June 2023, was sent to the shareholders on 30 October 2023, at least 28 days prior to the date of the 2nd AGM held on 28 November 2023.

The Notice of the 2nd AGM included the details of the proposed resolutions and the explanatory notes to enable shareholders to make an informed decision in exercising their voting rights.

##### (b) Directors' Commitment

During the FYE 2024, 2nd AGM of the Company was held physically on 28 November 2023 and Extraordinary General Meeting ("**EGM**") of the Company was carried out on a virtual basis on 14 March 2024 (both 2nd AGM and EGM are collectively referred to as "**Meetings**"). All Directors attended the Meetings.

The Meetings of the Company were chaired by En. Ismail, the Chairman of the Board. The Chairman provided sufficient time for the shareholders, proxies and corporate representatives who were present at the Meetings to ask questions for each agenda in the Notices of the Meetings.

The Chairman and Management had responded the questions received from the shareholders accordingly at the Meetings. The questions and answers were recorded in the minutes of the Meetings and the minutes are now available at the Company's corporate website at <https://www.dssigma.com.my/>.

##### (c) Voting Format

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

##### (d) Remote Shareholders' Participation at General Meeting

For the FYE 2024, the Company had leveraged on technology to facilitate remotely on the shareholders' participation and facilitate voting in absentia via remote participation and voting facilities for its virtual EGM held on 14 March 2024.

The Company had engaged an external technology service provider, Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**" or "**TIIH**") to provide the live streaming webcast and online remote voting using the remote participation and voting facilities for conducting the EGM.

Tricor has confirmed that the data privacy and security are in place to prevent cyber threats in facilitating the EGM of the Company.

#### **CONCLUSION**

The Board is satisfied that, it complies substantially with the recommendations of the practices of the MCCG throughout the FYE 2024.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Board on 28 October 2024.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT



The Board of Directors (“Board”) of the Company 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 financial year ended 30 June 2024 (“FYE 2024”), in compliance with Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

### AUTHORITY

Pursuant to Section 15.0 of the Company’s 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 Company and its subsidiaries (“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 Corporate Governance (“CG”) compliance by the ARMC for the FYE 2024:-

MCCG Practices	Applications by the Company	
<b>Practice 9.1</b>  <b>Chairman of the Audit Committee is not Chairman of the Board</b>	Chairman of the Board    <b>En. Mohamad Ismail Bin Abu Bakar</b>	Chairman of the ARMC    <b>Mr. Lee Yew Weng</b>
<b>Practice 9.2</b>  <b>Cooling-off Policy of at least 3 years for any former partner of external audit firm and/or affiliated firm(s) to be appointed as the member of Audit Committee</b>	Incorporated in the Terms of Reference of ARMC	
<b>Practice 9.3</b>  <b>Policies &amp; Procedures to assess the suitability, objectivity and independence of external auditors</b>	External Auditors Policy & Procedures established	

## Audit and Risk Management Committee Report

(Cont'd)

MCCG Practices	Applications by the Company
<b>Step-up Practice 9.4</b>  <b>The Audit Committee Comprises solely Independent Directors</b>	✓ The ARMC comprises solely of three (3) Independent Non-Executive Directors (“INEDs”).   <b>INEDs</b>
<b>Practice 9.5</b>  <b>Audit Committee members possess wide range of skills and financially-literate</b>	✓ ARMC members with diverse background, experience and skills, financially-literate and understand the financial reporting process.  
<b>Practice 11.1</b>  <b>Effective and independent internal audit function</b>	✓ Appointed outsourced independent internal auditors, GovernanceAdvisory.com Sdn. Bhd. (“GASB”), to review the Group’s internal control system.  

### COMPOSITION

The ARMC comprises three (3) members, all of whom are INEDs which satisfied the requirement under Rule 15.09 of the ACE LR and Step-up Practice 9.4 of the Malaysian Code on Corporate Governance (“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
Mr. Loo Hee Guan	Member	INED
Puan Maznida Binti Mokhtar	Member	INED

The Chairman of the ARMC, Mr. Lee Yew Weng is an INED. 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.

In addition, Mr. Lee Yew Weng is a member of the Certified Public 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.

## Audit and Risk Management Committee Report (Cont'd)

### **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 2024.

Upon review, the NC is satisfied with the overall performance of the ARMC and its individual members for FYE 2024. 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 (“**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 Annual General Meeting (“**AGM**”) for the re-appointment of External Auditors for the ensuing year.

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 financial year ending 30 June 2025 (“**FYE 2025**”). The Board, thereafter, has recommended the same for shareholders’ approval at the forthcoming Third AGM of the Company.

### **MEETINGS AND ATTENDANCES**

The ARMC held a total of five (5) meetings during the FYE 2024 and the attendance of the members was as below:-

Members	Total no. of meetings attended	Total no. of meetings held during the FYE 2024	%
Mr. Lee Yew Weng	5	5	100.00
Mr. Loo Hee Guan	5	5	100.00
Puan Maznida Binti Mokhtar	4	5	80.00

The lead audit partner of the External Auditors responsible for the Group had attended two (2) ARMC meetings held in FYE 2024.

The External Auditors were encouraged to raise to the ARMC, any matters they considered important to bring to the ARMC’s attention. For FYE 2024, one (1) private session was held between the ARMC and 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 in advance. 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 of Directors 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.

## Audit and Risk Management Committee Report (Cont'd)

### TERMS OF REFERENCE

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

### SUMMARY OF WORKS

The summary of works carried out by the ARMC during the FYE 2024 were as follows:-

#### 1. 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 the FYE 2025 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; and
- Reviewed the Group’s compliance with the accounting standards and relevant regulatory requirements.

#### 2. Oversight of External Auditors

- Reviewed the audit planning memorandum for the FYE 2024 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, recommended the same to the Board for approval; and
- Reviewed the statutory audit fees for the FYE 2024 and recommended the same for the Board’s approval.

#### 3. Oversight of Internal Audit Function and Risk Assessment

- Reviewed the internal audit report for the FYE 2024 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 the FYE 2024; and
- Reviewed and assessed the potential risks associated with the audited areas.

## Audit and Risk Management Committee Report (Cont'd)

### 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 CG Overview Statement for inclusion in the Annual Report in respect of the financial year ended 30 June 2023 ("**FYE 2023**");
- Reviewed the disclosures in the CG Report in respect of FYE 2023;
- Reviewed the cash solvency of the Company and recommended the declaration of dividend for FYE 2023 for the Board's approval;
- Reviewed the proposed acquisition of a parcel of industrial land located at UMW High Value Manufacturing Park in Serendah, Selangor Darul Ehsan by the Group and recommended the same for the Board's approval; and
- Reviewed the revised TOR of the ARMC and recommended the same for the Board's approval and adoption.

### 5. Related Party Transactions and Conflict of Interest ("COI")

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

There were no COI or any potential COI reported during the FYE 2024.

### 6. Sustainability Oversight

- Assisted the Board pertaining to disclosures in the Sustainability Statement for inclusion in the Company's Annual Report in respect of the FYE 2023.

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 the FYE 2024, the engagement team personnel from GASB, the outsourced Internal Auditors of the Company, had affirmed to the ARMC that in relation to the Company and the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.



## Audit and Risk Management Committee Report (Cont'd)

### (2) Summary of Works of the Internal Audit Function for the FYE 2024

During the FYE 2024, the summary of works undertaken by the Internal Auditors comprised the following:-

- 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 ARMC meeting.

For the FYE 2024, the following business processes or areas of the Group were reviewed by GASB in accordance with the approved audit plan:-

Audited Entity	Audited Area/Function	Tabling of Internal Audit Report
The Group	• Inventory Management	Fourth Quarter of the FYE 2024
The Group	• Follow-up review on Procurement Review	Fourth Quarter of the FYE 2024

### (3) Total costs incurred for the FYE 2024

The total cost incurred for the internal audit function of the Group for the FYE 2024 amounted to RM16,000.

This ARMC Report is made in accordance with the Resolution passed by the Board on 28 October 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of DS Sigma Holdings Berhad (“**DS Sigma**”) and its subsidiaries (“**the Group**”) is delighted to present the Statement on Risk Management and Internal Control. This statement is prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**ACE LR**”) 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 2024.

## 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. The ARMC 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 (“**Framework**”) which encompasses the identification, assessment, and mitigation of substantial risks. The framework entailed the Group’s risk registers and is seamlessly integrated into the Group’s operational and business processes. Continuous monitoring and assessment of the effectiveness of the risk management efforts are carried out by management at all levels, ensuring a dynamic and ongoing process.

The key aspects of the Group’s 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.

## Statement on Risk Management and Internal Control (Cont'd)

### RISK MANAGEMENT FRAMEWORK (CONT'D)

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.

### 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 audit function is free from any relationship or conflict of interest which could impair their objectivity and independence. They possess the relevant experience, knowledge, competency and authority to discharge its functions effectively; obtain sufficient resources and has unrestricted access to employees and information for the internal audit activity.

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. The findings of these audits were discussed with 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 have to be put in place by the Group to address such matters. Identified improvement opportunities are to be reported and discussed with the ARMC prior to reporting to the Board. Action plans will be followed-up closely by management with improvement results to be tabulated at the next follow-up meeting.

Internal audit review conducted during the financial year under review is on Inventory Management. Notably, the internal audit review did not uncover any weaknesses resulting in material losses, contingencies or uncertainties necessitating separate disclosure in this Annual Report, nor are they expected to materially impact the Group's financial statements.

## Statement on Risk Management and Internal Control (Cont'd)

### REVIEW OF EFFECTIVENESS

The Managing Director and the Chief Financial Officer have assured the Board and the 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.

### 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 28 October 2024.

## DIRECTORS' RESPONSIBILITIES STATEMENT

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.

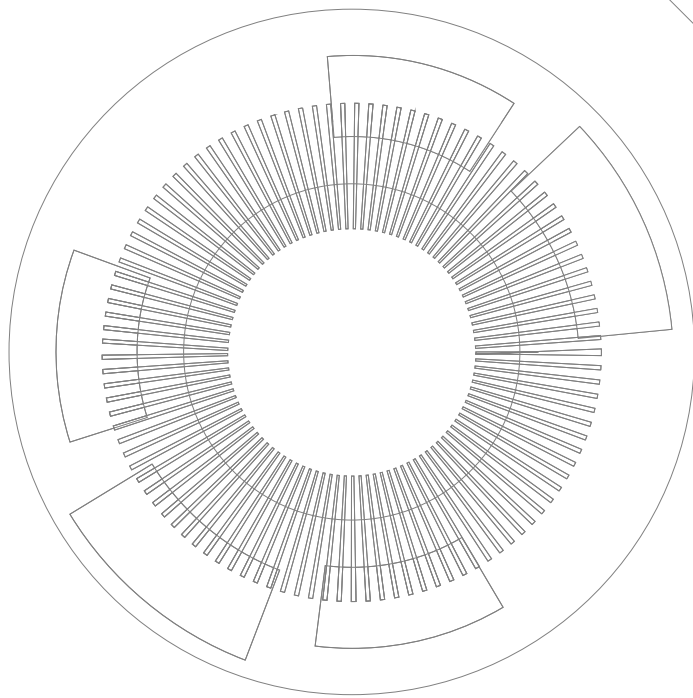
The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations 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 28 October 2024.



# FINANCIAL STATEMENTS

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## 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 2024.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of the subsidiaries are disclosed in Note 4 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 for the financial year	11,009,196	7,880,922
Attributable to:- Owners of the Company	11,009,196	7,880,922

### RESERVES AND PROVISIONS

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

### DIVIDENDS

The dividend declared and paid by the Company since the end of the previous financial year is as follows:-

	RM
First interim single tier dividend of 0.75 sen per ordinary share in respect of financial year ended 30 June 2023 paid on 30 October 2023	3,600,000

On 22 August 2024, the Company declared interim single tier dividend of 1 sen per ordinary share amounting to RM4.8 million in respect of financial year ended 30 June 2024 and to be paid on 30 October 2024. 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 2025.

### ISSUE OF SHARES AND DEBENTURES

There were no issuance of new shares or debentures of the Company 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  
 Hanani Hayati Binti Mohd Adhan (appointed on 1.3.2024)

\* also Director of subsidiaries

### 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 1.7.2023	Number of ordinary shares		At 30.6.2024
		Bought	Sold	
<b>The Company</b>				
<u>Direct interests</u>				
Beh Seng Lee	7,272,900	-	-	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 *				
Lucille Teoh Soo Lien ^	293,042,900	-	-	293,042,900
	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	264,000	264,000
Directors' remuneration and other benefits	7,452,875	-

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 year, no Director has received or become entitled to receive any benefit (other than as shown above and those disclosed in Note 23 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.

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

### 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.

## Directors' Report (Cont'd)

### OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) 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
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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 EVENT DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

The significant event during the financial year and after the reporting date is disclosed in Note 27 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 2024 amounted to RM253,000 and RM70,000 respectively. Further details are disclosed in Note 17 to the financial statements.

The Group and the Company have 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  
28 October 2024

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 78 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2024 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  
28 October 2024

## STATUTORY DECLARATION

I, Goh Hooi Chin, 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 78 to 110 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 )  
28 October 2024 )

.....  
GOH HOOI CHIN  
(MIA NO.: 24463)  
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 2024 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 material accounting policies information, as set out on pages 78 to 110.

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 2024 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 16 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 information included in the annual 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 other information 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 other information and, in doing so, consider whether the other information 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 other information, 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, IFRS Accounting 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)

Kuala Lumpur  
28 October 2024

LIM SOO SIM  
(NO: 03335/11/2025 J)  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	34,751,544	29,172,739	-	-
Investment in subsidiaries	4	-	-	29,161,499	29,161,499
<b>Total non-current assets</b>		34,751,544	29,172,739	29,161,499	29,161,499
<b>Current assets</b>					
Inventories	5	1,646,026	1,736,907	-	-
Trade receivables	6	18,403,917	11,762,127	-	-
Other receivables	7	429,770	1,442,304	26,200	-
Amount due from a subsidiary	4	-	-	15,099,432	-
Tax recoverable		85,603	195,531	-	-
Short term investments	8	14,549,701	9,122,479	-	-
Fixed deposits with a licensed bank		5,000,000	5,000,000	-	-
Cash and bank balances		56,213,136	66,325,894	34,713,749	45,213,378
<b>Total current assets</b>		96,328,153	95,585,242	49,839,381	45,213,378
<b>Total assets</b>		131,079,697	124,757,981	79,000,880	74,374,877
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	9	77,549,880	77,549,880	77,549,880	77,549,880
Merger deficit	10	(26,461,499)	(26,461,499)	-	-
Retained earnings/(accumulated losses)		63,163,149	55,753,953	995,199	(3,285,723)
<b>Total equity</b>		114,251,530	106,842,334	78,545,079	74,264,157
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	11	1,390,750	2,476,162	-	-
Borrowing	12	1,325,133	4,533,140	-	-
Deferred tax liabilities	13	2,158,132	1,786,829	-	-
<b>Total non-current liabilities</b>		4,874,015	8,796,131	-	-
<b>Current liabilities</b>					
Trade payables	14	7,244,291	5,275,366	-	-
Other payables	15	2,479,210	1,758,338	208,001	52,720
Lease liabilities	11	1,095,132	1,112,261	-	-
Borrowing	12	423,550	284,546	-	-
Tax payable		711,969	689,005	247,800	58,000
<b>Total current liabilities</b>		11,954,152	9,119,516	455,801	110,720
<b>Total liabilities</b>		16,828,167	17,915,647	455,801	110,720
<b>Total equity and liabilities</b>		131,079,697	124,757,981	79,000,880	74,374,877

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 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	16	88,829,170	82,342,307	7,500,000	-
Cost of sales		(61,881,497)	(55,782,899)	-	-
Gross profit		26,947,673	26,559,408	7,500,000	-
Finance income		2,188,947	1,023,353	2,091,413	453,541
Other income		110,457	101,148	-	-
Selling and distribution expenses		(717,651)	(619,606)	-	-
Administrative expenses		(14,524,162)	(15,051,026)	(1,228,650)	(3,316,959)
Finance cost		(146,739)	(348,217)	-	-
Profit/(loss) before tax	17	13,858,525	11,665,060	8,362,763	(2,863,418)
Tax expense	18	(2,849,329)	(3,500,835)	(481,841)	(58,000)
Net profit/(loss)/total comprehensive income/(loss) for the financial year		11,009,196	8,164,225	7,880,922	(2,921,418)
Earnings per share attributable to owners of the Company (sen):- Basic and diluted	19	2.29	2.21		

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



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
<b>Group</b>							
Balance at 1 July 2022		2,700,002	-	44,776,272	47,476,274	2,813,456	50,289,730
<b>Transactions with owners of the Company</b>							
- Shares issued pursuant to acquisition of subsidiaries	9	26,461,499	(26,461,499)	2,813,456	2,813,456	(2,813,456)	-
- Shares issued pursuant to Initial Public Offering	9	50,149,000	-	-	50,149,000	-	50,149,000
- Shares issuance expenses	9	(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
<b>Transaction with owners of the Company</b>							
- Dividend paid	20	-	-	(3,600,000)	(3,600,000)	-	(3,600,000)
Total comprehensive income for the financial year		-	-	11,009,196	11,009,196	-	11,009,196
Balance at 30 June 2024		77,549,880	(26,461,499)	63,163,149	114,251,530	-	114,251,530

## Statements Of Changes In Equity

### For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Share capital RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
<b>Company</b>				
Balance at 1 July 2022		2	(364,305)	(364,303)
<b>Transactions with owners of the Company</b>				
- Shares issued pursuant to acquisition of subsidiaries	9	29,161,499	-	29,161,499
- Shares issued pursuant to Initial Public Offering	9	50,149,000	-	50,149,000
- Shares issuance expenses	9	(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
<b>Transaction with owners of the Company</b>				
- Dividend paid	20	-	(3,600,000)	(3,600,000)
Total comprehensive income for the financial year		-	7,880,922	7,880,922
Balance at 30 June 2024		77,549,880	995,199	78,545,079

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
<b>OPERATING ACTIVITIES</b>					
Profit/(loss) before tax		13,858,525	11,665,060	8,362,763	(2,863,418)
<b>Adjustments for:-</b>					
Depreciation of property, plant and equipment		3,473,271	2,950,008	-	-
Gain on lease termination		(364)	-	-	-
Gain on disposal of property, plant and equipment		-	(76,405)	-	-
Distribution income from short term investment		(93,910)	(13,869)	-	-
Dividend income		-	-	(7,500,000)	-
Interest income		(2,095,037)	(1,009,484)	(2,091,413)	(453,541)
Interest expense		146,739	348,217	-	-
Operating profit/(loss) before working capital changes		15,289,224	13,863,527	(1,228,650)	(3,316,959)
<b>Changes in working capital:-</b>					
Inventories		90,881	347,263	-	-
Receivables		(5,629,256)	7,627,095	(26,200)	-
Payables		2,689,797	(5,334,865)	155,281	38,139
Cash generated from/(used in) operations		12,440,646	16,503,020	(1,099,569)	(3,278,820)
Interest received		2,095,037	1,009,484	2,091,413	453,541
Interest paid		(146,739)	(348,217)	-	-
Net tax paid		(2,345,134)	(4,667,764)	(292,041)	-
Net cash from/(used in) operating activities		12,043,810	12,496,523	699,803	(2,825,279)
<b>INVESTING ACTIVITIES</b>					
Advances to a subsidiary		-	-	(15,099,432)	-
Dividend received		-	-	7,500,000	-
Purchase of property, plant and equipment	A	(9,042,085)	(6,098,040)	-	-
Distribution received from short term investment		93,910	13,869	-	-
Investment in subsidiaries		-	-	-	(29,161,499)
Proceeds from disposal of property, plant and equipment		-	95,600	-	-
Net cash used in investing activities		(8,948,175)	(5,988,571)	(7,599,432)	(29,161,499)

## Statements Of Cash Flows

### For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
<b>FINANCING ACTIVITIES</b>					
Dividend paid		(3,600,000)	-	(3,600,000)	-
Repayments of lease liabilities	<b>B</b>	(1,112,168)	(1,429,998)	-	-
Repayments of borrowing		(3,069,003)	(4,038,907)	-	-
Repayments to a subsidiary		-	-	-	(349,724)
Proceeds from issuance of new shares		-	50,149,000	-	79,310,499
Shares issuance expenses		-	(1,760,621)	-	(1,760,621)
Net cash (used in)/from financing activities		(7,781,171)	42,919,474	(3,600,000)	77,200,154
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(4,685,536)	49,427,426	(10,499,629)	45,213,376
At the beginning of financial year		75,448,373	26,020,947	45,213,378	2
At the end of financial year	<b>C</b>	70,762,837	75,448,373	34,713,749	45,213,378

#### NOTES TO THE STATEMENTS OF CASH FLOWS

##### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2024 RM	Group 2023 RM
Total additions	9,061,707	6,584,628
Acquired through lease arrangements	(19,622)	(486,588)
Cash payment	9,042,085	6,098,040

##### B. CASH OUTFLOWS FOR LEASE AS A LESSEE

	Group 2024 RM	Group 2023 RM
<i>Included in net cash from/(used in) operating activities:-</i>		
Payment relating to short-term leases	343,524	359,200
Payment relating to lease of low-value assets	30,668	17,523
Interest paid in relation to lease liabilities	146,739	211,863
<i>Included in net cash (used in)/from financing activities:-</i>		
Payment of lease liabilities	1,112,168	1,429,998
	1,633,099	2,018,584

## Statements Of Cash Flows

For The Financial Year Ended 30 June 2024 (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	56,213,136	66,325,894	34,713,749	45,213,378
Fixed deposits with a licensed bank *	5,000,000	5,000,000	-	-
Short term investments	14,549,701	9,122,479	-	-
	75,762,837	80,448,373	34,713,749	45,213,378
Less: Placement of fixed deposits with maturity of more than 3 months	(5,000,000)	(5,000,000)	-	-
	70,762,837	75,448,373	34,713,749	45,213,378

\* Fixed deposits with a licensed bank earned interest rates ranging from 2.80% to 4.05% (2023: 3.40% to 3.95%) per annum.

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

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 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 4 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 28 October 2024.

## 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"), IFRS Accounting 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 material 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 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial year.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements. The details of the amendments are disclosed below:-

#### Amendments to MFRS 101 presentation of financial statements - Disclosure of accounting policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that related to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**2. BASIS OF PREPARATION (CONT'D)****2.4 Adoption of new standards/amendments/improvements to MFRSs (Cont'd)**Amendments to MFRS 101 presentation of financial statements - Disclosure of accounting policies (cont'd)

The amendments had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

Amendments to MFRS 108 accounting policies, changes in accounting estimates and errors – Definition of accounting estimates

The amendments to MFRS 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

This distinction between these two types of changes is important as change in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates applied retrospectively to future transactions and events. The amendments had no impact on the Group's consolidated financial statements.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements of the Group and the Company.

**2.5 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 Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective:-

Amendments to MFRSs effective 1 January 2024:-

Amendments to MFRS 16*	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 <sup>#</sup>	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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MFRSs and Amendments to MFRS effective 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1*, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments: Disclosures, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows

MFRSs effective 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19*	Subsidiaries without Public Accountability: Disclosures

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**2. BASIS OF PREPARATION (CONT'D)****2.5 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 Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective (Cont'd):-

Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10 and 128<sup>\*</sup> Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

\* 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.

**2.6 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.

**2.6.1 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 3 to the financial statements.

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.



## Notes to the Financial Statements

30 June 2024 (Cont'd)

**2. BASIS OF PREPARATION (CONT'D)****2.6 Significant accounting estimates and judgements (Cont'd)****2.6.1 Estimation uncertainty (Cont'd)**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 5 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.

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.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**2. BASIS OF PREPARATION (CONT'D)****2.6 Significant accounting estimates and judgements (Cont'd)****2.6.1 Estimation uncertainty (Cont'd)**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).

**2.6.2 Significant management judgement**Determining 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 2024 (Cont'd)

## 3. 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 machinery RM	Motor vehicles RM	Renovation and electrical installation RM	Premises RM	Capital work-in-progress RM	Total RM
<b>Cost</b>											
At 1 July 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
Additions	-	-	-	12,908	22,831	5,578,880	325,316	52,950	19,622	3,049,200	9,061,707
Written off	-	-	-	-	(22,257)	(26,000)	-	-	-	-	(48,257)
Lease termination	-	-	-	-	-	-	-	-	(28,894)	-	(28,894)
At 30 June 2024	2,288,473	3,915,831	7,632,029	582,926	2,564,817	21,702,978	2,214,210	4,326,203	3,044,841	3,049,200	51,321,508
<b>Accumulated depreciation</b>											
At 1 July 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
Charge for the financial year	-	78,317	103,136	55,518	362,435	1,692,349	240,473	427,165	513,878	-	3,473,271
Written off	-	-	-	-	(22,257)	(26,000)	-	-	-	-	(48,257)
Lease termination	-	-	-	-	-	-	-	-	(19,263)	-	(19,263)
At 30 June 2024	-	804,232	618,815	421,352	1,759,627	8,501,030	1,443,806	1,506,043	1,515,059	-	16,569,964
<b>Net carrying amount</b>											
At 30 June 2024	2,288,473	3,111,599	7,013,214	161,574	805,190	13,201,948	770,404	2,820,160	1,529,782	3,049,200	34,751,544
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

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

### 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold and leasehold land and building of the Group with net carrying amount of RM7,013,214 (2023: RM7,116,350) have been pledged to licensed banks to secure banking facilities granted to the Group as disclosed in Note 12 to the financial statements.

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

Group	Carrying amount RM	Depreciation for the year RM	Additions RM	Lease termination RM
<b>2024</b>				
Leasehold land and building	7,013,214	103,136	-	-
Plant and machineries	1,231,427	175,919	-	-
Motor vehicles	291,816	97,272	-	-
Premises	1,529,782	513,878	19,622	9,631
	10,066,239	890,205	19,622	9,631
<b>2023</b>				
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	-

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

#### Material accounting policy information

##### Property, plant and equipment

All the property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses.

Freehold land with an infinite life is not depreciated. Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life 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

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****Material accounting policy information (Cont'd)**Property, plant and equipment (cont'd)

Capital work-in-progress consists of leasehold land under improvement for future development as production facilities. The amount is stated as cost until the property are ready for its intended use. Leasehold land under improvement is to depreciate based on leased period.

Right-of-use assets

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

**4. SUBSIDIARIES****4.1 Investment in subsidiaries**

	Company 2024 RM	2023 RM
Unquoted shares, at cost	29,161,499	29,161,499

Details of the subsidiaries are as follows:-

Name of subsidiaries	Principal place of business	Principal activities	Effective equity interest	
			2024 %	2023 %
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	100
Kaisung Industries Sdn. Bhd.	Malaysia	Supplying of protective packaging products	100	100

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

#### 4. SUBSIDIARIES (CONT'D)

##### 4.1 Investment in subsidiaries (Cont'd)

###### Material accounting policy information

Subsidiaries are entities, including structured entities, controlled by the Company. Investments in subsidiaries are measured at cost less impairment losses, if any.

Subsidiaries are consolidated by applying acquisition method from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases, except for those applying merger method as mentioned below.

###### 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.

##### 4.2 Amount due from a subsidiary

The amount due from a subsidiary is non-trade related, unsecured, receivable on demand and bears interest rate at 5.35% (2023: Nil) per annum.

#### 5. INVENTORIES

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Finished goods	1,185,794	1,592,369
Work in progress	154,470	37,281
Raw materials	305,762	107,257
	<u>1,646,026</u>	<u>1,736,907</u>
<b>Recognised in profit or loss</b>		
Inventories recognised at cost of sales	<u>49,671,486</u>	<u>45,338,099</u>

###### Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**6. TRADE RECEIVABLES**

The normal trade credit terms granted by the Group to trade receivables range from 1 to 90 days (2023: 1 to 90 days).

**7. OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Non-trade receivables	96,148	20,096	-	-
Deposits	300,423	333,208	-	-
Prepayments	33,199	1,089,000	26,200	-
	<b>429,770</b>	<b>1,442,304</b>	<b>26,200</b>	<b>-</b>

**8. 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.

**9. SHARE CAPITAL**

	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>2024 Unit</b>	<b>2023 Unit</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>Group</b>				
<b>Issued and fully paid with no par value:-</b>				
At beginning of financial year	480,000,000	2,700,020	77,549,880	2,700,002
Issued pursuant to:-				
- 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	<b>480,000,000</b>	<b>480,000,000</b>	<b>77,549,880</b>	<b>77,549,880</b>
<b>Company</b>				
<b>Issued and fully paid with no par value:-</b>				
At beginning of financial year	480,000,000	20	77,549,880	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	<b>480,000,000</b>	<b>480,000,000</b>	<b>77,549,880</b>	<b>77,549,880</b>

\* 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 dividend 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.

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

#### 10. 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 4 to the financial statements.

#### 11. LEASE LIABILITIES

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
At beginning of financial year	3,588,423	4,531,833
Additions	19,622	486,588
Lease termination	(9,995)	-
Lease payments	(1,112,168)	(1,429,998)
Lease interest	146,739	211,863
Payments for lease interest	(146,739)	(211,863)
At end of financial year	<u>2,485,882</u>	<u>3,588,423</u>
Presented as:-		
- Current	1,095,132	1,112,261
- Non-current	1,390,750	2,476,162
	<u>2,485,882</u>	<u>3,588,423</u>

The lease liabilities are secured by the related underlying right-of-use assets as disclosed in Note 3 to the financial statements.

The maturity analysis of lease liabilities is disclosed in Note 25.2 to the financial statements.

The Group also has certain leases of assets with short-term leases and low-value assets as detailed below.

The following are the amounts relating to lease liabilities recognised in profit or loss:-

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Interest expense on lease liabilities	146,739	211,863
Expenses relating to short-term leases		
- rental of office	12,000	9,000
- rental of motor vehicles	172,050	158,400
- rental of hostel	159,474	191,800
	<u>343,524</u>	<u>359,200</u>
Expenses relating to lease of low-value assets		
- rental of office equipment	10,128	10,743
- rental of server	20,540	6,780
	<u>30,668</u>	<u>17,523</u>



## Notes to the Financial Statements

30 June 2024 (Cont'd)

**11. LEASE LIABILITIES (CONT'D)**

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
<b>Right-of-use assets</b>				
<b>Group</b>				
<b>2024</b>				
Leasehold land and building	69 years	-	-	-
Plant and machineries	1 to 2 years	-	-	-
Motor vehicles	1 to 2 years	-	-	-
Premises	1 to 3 years	3	-	-
<b>2023</b>				
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	-	-

The effective interest rates of the lease liabilities range from 2.60% to 3.76% (2023: 2.50% to 3.76%) per annum.

**Material accounting policy information**

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.

The Group applies the short-term lease recognition exemption to its short-term lease of assets (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 assets 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.

**12. BORROWING**

	2024 RM	Group 2023 RM
<b>Non-current</b>		
Term loan	1,325,133	4,533,140
<b>Current</b>		
Term loan	423,550	284,546
	<b>1,748,683</b>	<b>4,817,686</b>

The above borrowing is 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 borrowing bears interest rate at Nil (2023: ranging from 3.67% to 4.42%) per annum and are repayable by 240 (2023: 240) equal monthly instalments. As mentioned in the agreement, no interest charge on the term loan as long as a minimum of 70% of the term loan balance is maintained in the respective bank's current account, where the Group has fulfilled this clause during the financial year.

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

#### 13. DEFERRED TAX LIABILITIES

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
At beginning of financial year	1,786,829	1,327,300
Recognised in profit or loss (Note 18)	371,303	459,529
At end of financial year	<u>2,158,132</u>	<u>1,786,829</u>

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.

#### 14. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 1 to 120 days (2023: 1 to 120 days).

#### 15. OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Non-trade payables	93,617	191,810	20,000	-
Accruals	2,385,593	1,566,528	188,001	52,720
	<u>2,479,210</u>	<u>1,758,338</u>	<u>208,001</u>	<u>52,720</u>

#### 16. REVENUE

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>Revenue from contracts with customers</b>				
Sales of packaging and paper products	88,829,170	82,342,307	-	-
<b>Other revenue</b>				
Dividend income	-	-	7,500,000	-
	<u>88,829,170</u>	<u>82,342,307</u>	<u>7,500,000</u>	<u>-</u>
<b>Timing of revenue recognition</b>				
Satisfied at a point in time	88,829,170	82,342,307	-	-

#### Material accounting policy information

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, generally on delivery of goods.

Dividend income is recognised when the Company's right to receive such payment is established.

All of the Group's and the Company's revenue are generated in Malaysia.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**17. PROFIT/(LOSS) BEFORE TAX**

Profit/(loss) before tax has been determined after charging amongst others, the following items:-

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Auditors' remuneration:- Grant Thornton Malaysia PLT ("GTM")				
- statutory audits	129,000	129,000	34,000	34,000
- assurance-related services	34,000	4,000	34,000	4,000
GTM's member firm				
- other services	90,000	16,800	2,000	800

**18. TAX EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Current tax:-				
- current year provision	3,120,300	3,146,800	485,300	58,000
- overprovision in prior years	(642,274)	(105,494)	(3,459)	-
	2,478,026	3,041,306	481,841	58,000
Deferred tax (Note 13):-				
- current year provision	451,303	504,529	-	-
- overprovision in prior years	(80,000)	(45,000)	-	-
	371,303	459,529	-	-
	2,849,329	3,500,835	481,841	58,000

Malaysian income tax is calculated at the statutory rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

A reconciliation of the tax expense on profit/(loss) before tax with the applicable statutory income tax rate is as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Profit/(loss) before tax	13,858,525	11,665,060	8,362,763	(2,863,418)
Income tax at rate of 24% (2023: 24%)	3,326,046	2,799,614	2,007,063	(687,220)
Tax effects in respect of:-				
Non-allowable expenses	325,468	916,052	278,237	745,220
Income not subject to tax	(79,911)	(18,337)	(1,800,000)	-
Tax savings for subsidiaries with paid up capital below RM2,500,000	-	(46,000)	-	-
Overprovision of current tax in prior years	(642,274)	(105,494)	(3,459)	-
Overprovision of deferred tax in prior years	(80,000)	(45,000)	-	-
Total tax expense	2,849,329	3,500,835	481,841	58,000

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

#### 19. 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:-

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Net profit for the financial year attributable to ordinary equity holders of the Group (RM)	11,009,196	8,164,225
Weighted average number of ordinary shares in issue (units)	480,000,000	369,564,278
Basic earnings per share (sen)	2.29	2.21

##### 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.

#### 20. DIVIDENDS

	<b>2024 RM</b>	<b>2023 RM</b>
In respect of the financial year ended 30 June 2023:		
A first interim single tier dividend of 0.75 sen per ordinary share	3,600,000	-

On 22 August 2024, the Company declared interim single tier dividend of 1 sen per ordinary share amounting to RM4.8 million in respect of financial year ended 30 June 2024 and to be paid on 30 October 2024. 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 2025.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**21. EMPLOYEE BENEFITS EXPENSES**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and other emoluments	14,933,976	14,064,604	264,000	168,000
Defined contribution plan	1,678,517	1,521,248	-	-
Social security contribution	67,483	64,094	-	-
Other benefits	753,518	750,002	-	-
	17,433,494	16,399,948	264,000	168,000

Included in the above is the Directors' remuneration during the financial year as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Directors of the Company</u>				
Salaries and other emoluments	6,260,000	6,147,000	-	12,000
Defined contribution plan	1,189,400	1,127,650	-	-
Social security contribution	3,475	3,358	-	-
Fee	264,000	156,000	264,000	156,000
	7,716,875	7,434,008	264,000	168,000
<u>Director of a subsidiary</u>				
Salaries and other emoluments	-	122,337	-	-
Defined contribution plan	-	14,724	-	-
Social security contribution	-	745	-	-
	-	137,806	-	-
	7,716,875	7,571,814	264,000	168,000

**22. CAPITAL COMMITMENT**

	Group	
	2024 RM	2023 RM
Authorised and contracted for:-		
- property, plant and equipment	9,147,600	341,000

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

## 23. RELATED PARTY DISCLOSURES

### 23.1 Significant related party transactions

Significant related party transactions during the financial year are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental of premises charged by certain Directors	492,000	492,000	-	-
Rental of premises 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	-	-
Delivery fees charged by an entity owned by a person connected to a Director	159,180	140,250	-	-
Delivery fees charged by a company owned by a person connected to a former shareholder of a subsidiary	-	53,212	-	-
Dividend received from a subsidiary	-	-	7,500,000	-
Loan interest charged to a subsidiary	-	-	1,503,103	-

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.

### 23.2 Related party balances

The outstanding related party balances as at the reporting date is disclosed in Note 4 to the financial statements.

### 23.3 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 Group or of the Company either directly or indirectly and the entity that provides key management personnel service to the Group or 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 21 to the financial statements while the remuneration of the other key management personnel is shown as follows:-

	Group	
	2024 RM	2023 RM
Salaries and other emoluments	835,141	503,187
Defined contribution plan	130,216	79,745
Social security contribution	3,476	3,619
Other benefits	233,441	176,191
	<u>1,202,274</u>	<u>762,742</u>

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 (2023: RM27,300).

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**24. 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:-

<b>Group</b>	<b>RM</b>	<b>%</b>
<b>2024</b>		
Customer A	17,670,809	20
Customer B	14,788,222	17
	<b>32,459,031</b>	<b>37</b>
<b>2023</b>		
Customer A	20,375,967	25
Customer B	18,849,315	23
Customer C	10,123,688	12
	<b>49,348,970</b>	<b>60</b>

## Notes to the Financial Statements

### 30 June 2024 (Cont'd)

## 25. FINANCIAL INSTRUMENTS

### 25.1 Categories of financial instruments

At the reporting date, the Group and the Company carry only financial assets and financial liabilities measured at amortised cost on their statements of financial position as detailed below:-

	2024 RM	2023 RM
<b>Group</b>		
<b>Financial assets</b>		
Trade receivables	18,403,917	11,762,127
Other receivables and deposits	396,571	353,304
Short term investments	14,549,701	9,122,479
Fixed deposits with a licensed bank	5,000,000	5,000,000
Cash and bank balances	56,213,136	66,325,894
	<b>94,563,325</b>	<b>92,563,804</b>
<b>Financial liabilities</b>		
Trade payables	7,244,291	5,275,366
Other payables	2,479,210	1,758,338
Borrowing	1,748,683	4,817,686
	<b>11,472,184</b>	<b>11,851,390</b>
<b>Company</b>		
<b>Financial assets</b>		
Amount due from a subsidiary	15,099,432	-
Cash and bank balances	34,713,749	45,213,378
	<b>49,813,181</b>	<b>45,213,378</b>
<b>Financial liability</b>		
Other payables	208,001	52,720

### 25.2 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.



## Notes to the Financial Statements

30 June 2024 (Cont'd)

**25. FINANCIAL INSTRUMENTS (CONT'D)****25.2 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:-

**(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. Trade 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 2024 (cont'd)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 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)

##### i. Trade 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
<b>2024</b>		
Not past due	7,847,189	-
Past due 1 to 30 days	6,353,100	-
Past due 31 to 60 days	3,958,837	-
Past due 61 to 90 days	244,613	-
Past due 91 to 120 days	178	-
	<b>18,403,917</b>	<b>-</b>
<b>2023</b>		
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	-
	<b>11,762,127</b>	<b>-</b>

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 29% (2023: 38%) were due from 2 (2023: 2) customers. As at the reporting date, there was no indication that the trade receivables are not recoverable.

##### ii. Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

##### iii. Intercompany balance

The Company provides advances to a subsidiary and monitors the result of the subsidiary regularly. As at the end of the reporting year, there was no indication that advances to the subsidiary is not recoverable. The maximum exposure to credit risk is represented by its carrying amount in the statements of financial position.

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**25. FINANCIAL INSTRUMENTS (CONT'D)****25.2 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)****iv. 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.

**v. Financial guarantees**

The maximum exposure to credit risk of the Company is RM1,748,683 (2023: RM4,817,686) 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 2024 (Cont'd)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 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
<b>Group</b>					
<u>2024</u>					
<b>Secured:-</b>					
Lease liabilities	2,485,882	2,631,812	1,188,108	1,443,704	-
Borrowing	1,748,683	1,856,217	492,372	1,363,845	-
	4,234,565	4,488,029	1,680,480	2,807,549	-
<b>Unsecured:-</b>					
Trade payables	7,244,291	7,244,291	7,244,291	-	-
Other payables	2,479,210	2,479,210	2,479,210	-	-
	9,723,501	9,723,501	9,723,501	-	-
<b>Total</b>	13,958,066	14,211,530	11,403,981	2,807,549	-
<u>2023</u>					
<b>Secured:-</b>					
Lease liabilities	3,588,423	3,880,520	1,258,908	2,621,612	-
Borrowing	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
<b>Unsecured:-</b>					
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	-	-
<b>Total</b>	15,439,813	18,722,567	8,785,104	4,591,580	5,345,883

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**25. FINANCIAL INSTRUMENTS (CONT'D)****25.2 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 RM1,748,683 (2023: RM4,817,686) 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:-

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
Fixed deposits with a licensed bank	5,000,000	5,000,000
Lease liabilities	(2,485,882)	(3,588,423)
	<b>2,514,118</b>	<b>1,411,577</b>
<b>Variable rate instrument</b>		
Term loan	(1,748,683)	(4,817,686)

## Notes to the Financial Statements

### 30 June 2024 (cont'd)

## 25. FINANCIAL INSTRUMENTS (CONT'D)

### 25.2 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.

	(Decrease)/increase in net profit/equity for the financial year	
	+0.5% RM	-0.5% RM
<b>Group</b>		
<b>Variable rate instrument</b>		
2024	(8,743)	8,743
2023	(24,088)	24,088

### 25.3 Reconciliation of liabilities arising from financing activities

	At 1.7.2023 RM	Acquisition* RM	Lease termination RM	Repayments RM	At 30.6.2024 RM
<b>Group</b>					
Lease liabilities	3,588,423	19,622	(9,995)	(1,112,168)	2,485,882
Borrowing	4,817,686	-	-	(3,069,003)	1,748,683
	8,406,109	19,622	(9,995)	(4,181,171)	4,234,565

## Notes to the Financial Statements

30 June 2024 (Cont'd)

**25. FINANCIAL INSTRUMENTS (CONT'D)****25.3 Reconciliation of liabilities arising from financing activities (cont'd)**

	At 1.7.2022 RM	Acquisition* RM	Repayments RM	At 30.6.2023 RM
<b>Group (cont'd)</b>				
Lease liabilities	4,531,833	486,588	(1,429,998)	3,588,423
Borrowing	8,856,593	-	(4,038,907)	4,817,686
	13,388,426	486,588	(5,468,905)	8,406,109

\* Arising from acquisition of property, plant and equipment under lease arrangements.

**25.4 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.

**25.5 Fair value hierarchy**

No fair value hierarchy disclosed as the Group and the Company do not have financial instrument measured at fair value.

**26. 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.

**27. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE**

On 7 June 2024, the Company has proposed to transfer the listing and quotation for the entire issued share capital of the Company from the ACE Market to Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer"). The application in relation to the Proposed Transfer had been approved by Securities Commission and Bursa Securities on 2 October 2024 and 22 October 2024 respectively. As at to date of this report, the Proposed Transfer is pending official completion.

## LIST OF PROPERTIES

### AS AT 30 JUNE 2024

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	6	46,070/ 27,832	7,013,214	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	10	53,507/ 31,632	5,400,072	16 April 2014



## ADDITIONAL COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds

As at 30 June 2024, the utilisation of the proceeds raised from the initial public offering is as follows:-

Purpose	Proposed utilisation	Actual utilised	Re-allocation	Unutilised amount	Estimated timeframe for utilisation from Listing date
	RM'000	RM'000	RM'000	RM'000	
Expansion of operational facilities	17,200	-	(16,000 <sup>(1)</sup> )	1,200	Within 30 months
Purchase of new machinery and equipment	16,000	(3,955)	-	12,045	Within 30 months
Establish packaging design and innovation centre	1,140	(1,140)	-	-	Within 24 months
Repayment of bank borrowings	6,000	(6,000)	-	-	Within 12 months
Working capital	5,409	(5,409)	-	-	Within 12 months
Estimated listing expenses	4,400	(4,400)	-	-	Within 3 months
Acquisition of vacant industrial land	-	(1,830)	10,000 <sup>(1)</sup>	8,170	Within 48 months
Construction of Serendah Factory	-	-	6,000 <sup>(1)</sup>	6,000	Within 48 months
<b>Total</b>	<b>50,149</b>	<b>(22,734)</b>	<b>-</b>	<b>27,415</b>	

**Notes:-**

<sup>(1)</sup> The unutilised balance of RM16.0 million for the expansion of operational facilities has been re-allocated to the acquisition of vacant industrial land and construction of Serendah Factory.

The utilisation of proceeds as disclosed above should be read in conjunction with the circular to shareholders in relation to the Proposed Variation and Extension dated 26 February 2024 and approved by shareholders of the Company at the extraordinary general meeting of the Company held on 14 March 2024.

### 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 2024 ("FYE 2024"), 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)
<b>Audit services rendered</b>		
Statutory audit in respect of FYE 2024	34,000	129,000
<b>Non-audit services rendered</b>		
Review of the Statement on Risk Management and Internal Control	4,000	4,000
Professional fee related to transfer listing exercise	32,000	104,000
Other services	-	16,000
<b>Total</b>	<b>70,000</b>	<b>253,000</b>

## Additional Compliance Information (Cont'd)

### 4. Material Contracts

Save as disclosed below, 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.

On 29 December 2023, the Company announced to undertake the proposed acquisition by Dai Suwon Packaging Sdn. Bhd., a wholly-owned subsidiary of the Company of a plot of vacant leasehold industrial land measuring approximately 4 acres, located within Precinct 5B, Northern Zone of the UMW High Value Manufacturing Park, for a cash consideration of RM12,196,800 ("**Acquisition**"). The completion of the Acquisition and handing over of vacant possession of the land is pending the completion of the infrastructure and earthworks by the developer.

## SHAREHOLDERS' INFORMATION/ ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2024

Total Number of Issued Shares	:	480,000,000 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	3,020
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	243	8.05	131,400	0.03
1,001-10,000	1,373	45.46	8,420,500	1.75
10,001-100,000	1,184	39.20	40,798,400	8.50
100,001-23,999,999 (*)	218	7.22	112,989,700	23.54
24,000,000 and above (**)	2	0.07	317,660,000	66.18
<b>Total</b>	<b>3,020</b>	<b>100.00</b>	<b>480,000,000</b>	<b>100.00</b>

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 <sup>(1)</sup>	61.00
3.	Beh Seng Lee	7,272,900	1.52	293,042,900 <sup>(2)</sup>	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 <sup>(1)</sup>	61.00
3.	Beh Seng Lee	7,272,900	1.52	293,042,900 <sup>(2)</sup>	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	-	-
8.	Hanani Hayati Binti Mohd Adhan	-	-	-	-

Notes:-

<sup>(1)</sup> Deemed interested by virtue of her direct shareholdings in DS Kaizen Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(2)</sup> 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 30 September 2024 (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 International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loi Guak Lian	7,085,600	1.48
5.	Chow Pui Hee	5,400,000	1.13
6.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Peng Kong	4,400,000	0.92
7.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Seng Lee	4,000,000	0.83
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lucille Teoh Soo Lien	3,500,000	0.73
9.	Lindy Loh Swee Lee	2,730,000	0.57
10.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yap Booik Lek	2,705,000	0.56
11.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Chong Wui	2,500,000	0.52
12.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Sheng Yip	2,146,800	0.45
13.	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koon Poh Tat	2,000,000	0.42
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB for Beh Seng Lee	1,836,900	0.38
15.	Beh Seng Lee	1,436,000	0.30
16.	Beh Koon Chiew	1,388,700	0.29
17.	Dato' Yap Yit Leong	1,200,000	0.25
18.	Pang Chung Tat	1,050,000	0.22
19.	Teoh Hui Peng	1,001,000	0.21
20.	Choo Kian Woon	1,000,000	0.21
21.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Le-Hao	1,000,000	0.21
22.	Cartaban Nominees (Asing) Sdn. Bhd. - Exempt AN for Barclays Capital Securities Ltd	960,800	0.20
23.	Poong Hooi Cheng	900,000	0.19
24.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Choong Poh Poo	900,000	0.19
25.	Ng Chor Mong	797,000	0.17
26.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sia Boon Huat	794,300	0.17
27.	PTB Ventures Sdn. Bhd.	794,000	0.17
28.	Loh Lih Ken	750,000	0.16
29.	Yong Chin Onn	693,800	0.14
30.	Li Leong Tiam	670,000	0.14
<b>TOTAL</b>		<b>385,151,900</b>	<b>80.24</b>

## NOTICE OF THE THIRD ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Third (“3rd”) Annual General Meeting (“AGM”) of DS Sigma Holdings Berhad (“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 Monday, 25 November 2024 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 for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.                             | <b>(Refer to<br/>Note 2)</b>     |
| 2. To approve the payment of Directors’ fees to the Non-Executive Directors of the Company of up to RM388,000/- for the financial year ending 30 June 2025.  | <b>Ordinary<br/>Resolution 1</b> |
| 3. To re-elect Cik Hanani Hayati Binti Mohd Adhan who retire pursuant to Clause 21.11 of the Constitution of the Company and being eligible, has offered herself for re-election.                    | <b>Ordinary<br/>Resolution 2</b> |
| 4. 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) Encik Mohamad Ismail Bin Abu Bakar; and  | <b>Ordinary<br/>Resolution 3</b> |
| (b) Mr. Beh Le Hao.  | <b>Ordinary<br/>Resolution 4</b> |
| 5. 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. | <b>Ordinary<br/>Resolution 5</b> |

#### Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolution:-

- |  |                                  |
|--|----------------------------------|
| 6. <b>ORDINARY RESOLUTION</b><br>- <b>AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 (“THE ACT”)</b> | <b>Ordinary<br/>Resolution 6</b> |
|--|----------------------------------|

“THAT pursuant to Sections 75 and 76 of the Act, 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 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 Third Annual General Meeting (Cont'd)

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

29 October 2024

Notes:-

### (1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend the 3rd 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 18 November 2024. Only a depositor whose name appears on the Record of Depositors as at 18 November 2024 shall be entitled to attend the 3rd 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 3rd 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 3rd AGM shall have the same rights as the member to speak and vote at the 3rd AGM.
- c. A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the 3rd AGM, to the extent permitted by the Act, SICDA, Listing Requirements of Bursa Securities and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the 3rd 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**”), 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 3rd AGM on corporate website

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the proxy form are available at the corporate website of the Company at <https://www.dssigma.com.my/>.

## Notice of the Third Annual General Meeting (Cont'd)

### h. Appointment of Proxy(ies)

A member may obtain the proxy form for the 3rd AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities.

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, 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, Malaysia 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, not less than 48 hours before the time appointed for holding the 3rd AGM or adjournment thereof.

In the case of electronic appointment, the Form of Proxy must be deposited via TIH Online at <https://tiah.online>, not less than forty-eight (48) hours before the time appointed for holding the 3rd AGM or adjournment thereof. 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 2024

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) Ordinary Resolution 1 – Payment of Directors' Fees

The proposed Directors' Fees payable to the Non-Executive Directors of the Company for the financial year ending 30 June 2025 shall be up to a total of RM388,000/- only, comprised the following rates based on responsibilities assumed: -

Office	Amount (RM) per annum
Board Chairman	72,000/-
Non-Executive Directors	316,000/-
	388,000/-

The Ordinary Resolution 1, if approved, will authorise the payment of Directors' Fees pursuant to Clause 21.4 of the Constitution of the Company.

#### (4) Ordinary Resolutions 2, 3 & 4 – Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 3rd 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 Listing Requirements of Bursa Securities and recommended the re-election of the following Directors pursuant to Clauses 21.11 and 21.7 of the Constitution of the Company:-

- (i) Cik Hanani Hayati Binti Mohd Adhan;
- (ii) Encik Mohamad Ismail Bin Abu Bakar; and
- (iii) Mr. Beh Le Hao.

(collectively, the "Retiring Directors")

The Board of Directors, vide the NC, has conducted a separate assessment and being satisfied with the performance/contribution/fit and properness of the Retiring Directors, has recommended the same be tabled to the shareholders for approval at the forthcoming 3rd AGM of the Company under Ordinary 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 of Directors have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report in respect of the financial year ended 30 June 2024 of the Company ("Annual Report 2024").

## Notice of the Third Annual General Meeting (Cont'd)

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/or Board of Directors' meetings, respectively.

The profiles of the Retiring Directors are set out in the Annual Report 2024.

### (5) **Ordinary Resolution 5 – Re-appointment of Auditors**

The Audit and Risk Management Committee ("**ARMC**") 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 2025. The Board of Directors has in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval at the 3rd AGM of the Company under Ordinary Resolution 5. The evaluation criteria adopted as well as the process of assessment by the ARMC and the Board of Directors, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2024.

### (6) **Ordinary Resolution 6 – Authority to Issue Shares pursuant to the Act**

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Second Annual General Meeting of the Company held on 28 November 2023 ("**Previous Mandate**"). The Company wishes to renew the mandate on the authority to issue shares of not exceeding 10% of the total number of issued shares of the Company for the time being pursuant to the Act at the 3rd AGM ("**General Mandate**").

As at the date of this notice, the Previous Mandate granted by shareholders has not been utilised and hence no proceeds were raised therefrom.

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 solely for such issuance and allotment of shares. 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 acquisition(s).

Pursuant to Section 85 of the Act read together with Clause 16.6 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

The Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the authority to issue shares pursuant to the Act without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.



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**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 Third Annual General Meeting ("**AGM**") 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 Monday, 25 November 2024 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 Company of up to RM388,000/- for the financial year ending 30 June 2025.		
2.	To re-elect Cik Hanani Hayati Binti Mohd Adhan as Director.		
3.	To re-elect Encik Mohamad Ismail Bin Abu Bakar as Director.		
4.	To re-elect Mr. Beh Le Hao as Director.		
5.	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.		
6.	Authority to issue shares pursuant to the Companies Act 2016.		

(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 ..... , 2024.

**\*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 3rd 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 18 November 2024. Only a depositor whose name appears on the Record of Depositors as at 18 November 2024 shall be entitled to attend the 3rd 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 3rd 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 3rd AGM shall have the same rights as the member to speak and vote at the 3rd AGM.
- A member may, subject to Notes (d) and (e) below, appoint more than one (1) proxy to attend and vote at the 3rd AGM, to the extent permitted by the Companies Act 2016, SICDA, Listing Requirements of Bursa Securities and the Rules of Central Depository. Where a member appoints two (2) proxies to attend and vote at the 3rd 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**"), 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 3rd 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 the Company at <https://www.dssigma.com.my/>.
- h. Appointment of Proxy(ies)  
A member may obtain the proxy form for the 3rd AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities.  
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, 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, Malaysia 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, not less than 48 hours before the time appointed for holding the 3rd AGM or adjournment thereof.  
In the case of electronic appointment, the Form of Proxy must be deposited via TIH Online at <https://tiah.online>, not less than forty-eight (48) hours before the time appointed for holding the 3rd AGM or adjournment thereof. 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

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**DS SIGMA HOLDINGS BERHAD**

Registration No: 202101030362 (1430662-K)

No. 36, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan

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