

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022<sup>(1)</sup>**

	Note	<--- Individual Quarter --->		<--- Cumulative Quarter --->	
		Current year quarter 30.09.2022	Preceding year quarter 30.09.2021 <sup>(2)</sup>	Current year-to-date 30.09.2022	Preceding year-to-date 30.09.2021 <sup>(2)</sup>
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	25,390	N/A	25,390	N/A
Cost of sales		(16,208)	N/A	(16,208)	N/A
<b>Gross profit</b>		<b>9,182</b>	<b>N/A</b>	<b>9,182</b>	<b>N/A</b>
Finance income		83	N/A	83	N/A
Other income	B5	25	N/A	25	N/A
Selling and distribution expenses		(81)	N/A	(81)	N/A
Administrative expenses		(2,962)	N/A	(2,962)	N/A
Finance costs		(112)	N/A	(112)	N/A
<b>Profit before taxation</b>	B15	<b>6,135</b>	<b>N/A</b>	<b>6,135</b>	<b>N/A</b>
Tax expenses	B6	(1,425)	N/A	(1,425)	N/A
<b>Profit for the financial period</b>		<b>4,710</b>	<b>N/A</b>	<b>4,710</b>	<b>N/A</b>
Other comprehensive income, net of tax		-	N/A	-	N/A
<b>Total comprehensive income for the financial period / year</b>		<b>4,710</b>	<b>N/A</b>	<b>4,710</b>	<b>N/A</b>
<b>Profit attributable to:</b>					
Owners of the Company		<b>4,710</b>	<b>N/A</b>	<b>4,710</b>	<b>N/A</b>
Non-controlling interests		-	N/A	-	N/A
		<b>4,710</b>	<b>N/A</b>	<b>4,710</b>	<b>N/A</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		4,710	N/A	4,710	N/A
Non-controlling interests		-	N/A	-	N/A
		<b>4,710</b>	<b>N/A</b>	<b>4,710</b>	<b>N/A</b>
Earnings per ordinary share attributable to owners of the Company:					
- Basic earnings per share (sen) <sup>(3)</sup>	B14	3.38	N/A	3.38	N/A
- Diluted earnings per share (sen) <sup>(4)</sup>	B14	3.38	N/A	3.38	N/A

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**Notes:**

*N/A – Not applicable*

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 15 November 2022 ("**Accountants' Report**") as disclosed in the prospectus of DS Sigma Holdings Berhad ("**DS Sigma**" or "**Company**") dated 13 December 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share ("**EPS**") is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares of 139,468,056 ordinary shares in DS Sigma ("**Share(s)**") in issue as at 30 September 2022.
- (4) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any dilutive instruments as at the end of the financial period.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022<sup>(1)</sup>**

	Note	(Unaudited) As at 30.09.2022 RM'000	(Audited) As at 30.06.2022 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		25,887	25,557
<b>TOTAL NON-CURRENT ASSETS</b>		<b>25,887</b>	<b>25,557</b>
<b>CURRENT ASSETS</b>			
Inventories		1,575	2,084
Trade receivables		14,191	18,759
Other receivables		3,735	2,073
Fixed deposits with a licensed bank		-	12,000
Cash and bank balances		34,422	19,021
<b>TOTAL CURRENT ASSETS</b>		<b>53,923</b>	<b>53,937</b>
<b>TOTAL ASSETS</b>		<b>79,810</b>	<b>79,494</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		29,162	2,700
Merger deficit		(26,462)	-
Retained earnings		52,300	44,776
		55,000	47,476
Non-controlling interests		-	2,814
<b>TOTAL EQUITY</b>		<b>55,000</b>	<b>50,290</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	B9	3,157	3,347
Borrowings	B9	7,991	8,172
Deferred tax liabilities		1,327	1,327
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,475</b>	<b>12,846</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		5,525	8,544
Other payables		2,915	3,825
Lease liabilities	B9	1,168	1,184
Borrowings	B9	664	685
Tax payable		2,063	2,120
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,335</b>	<b>16,358</b>
<b>TOTAL LIABILITIES</b>		<b>24,810</b>	<b>29,204</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,810</b>	<b>79,494</b>
Net assets per share (RM) <sup>(2)</sup>		0.14	0.13

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 13 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the net assets divided by the number of ordinary shares of 388,820,000 Shares in issue before the IPO.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 <sup>(1)(2)</sup>**

	<-----Attributable to owners of the parent ----->					
	<----Non-distributable---->	Distributable	Total attributable to owners of the parent		Non-controlling interest	Total Equity
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	RM'000	RM'000	RM'000
As at 1 July 2022	2,700	-	44,776	47,476	2,814	50,290
Total comprehensive income for the financial period	-	-	4,710	4,710	-	4,710
<b>Transaction with owners:</b>						
Issuance of ordinary shares pursuant to the acquisition of the subsidiaries	29,162	-	-	29,162	-	29,162
Acquisition of subsidiaries	(2,700)	(26,462)	2,814	(26,348)	(2,814)	(29,162)
As at 30 September 2022	29,162	(26,462)	52,300	55,000	-	55,000

**Notes:**

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

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022<sup>(1)</sup>**

	<b>Current year-to-date 30.09.2022 RM'000</b>	<b>Preceding year -to-date 30.09.2021<sup>(2)</sup> RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	6,135	N/A
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	635	N/A
Gain on disposal of property, plant and equipment	(17)	N/A
Finance income	(83)	N/A
Finance cost	112	N/A
<b>Operating profit before working capital changes</b>	<b>6,782</b>	<b>N/A</b>
Changes in working capital:-		
Inventories	509	N/A
Receivables	2,906	N/A
Payables	(3,929)	N/A
<b>Cash generated from operations</b>	<b>6,268</b>	<b>N/A</b>
Interest received	83	N/A
Interest paid	(112)	N/A
Tax paid	(1,482)	N/A
<b>Net cash generated from operating activities</b>	<b>4,757</b>	<b>N/A</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(822)	N/A
Proceeds from disposal of property, plant and equipment	32	N/A
<b>Net cash used in investing activities</b>	<b>(790)</b>	<b>N/A</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of bank borrowings	(202)	N/A
Repayment of lease liabilities	(364)	N/A
<b>Net cash used in financing activities</b>	<b>(566)</b>	<b>N/A</b>
<b>Cash and cash equivalents</b>		
Net changes	3,401	N/A
At the beginning of the period	31,021	N/A
At the end of the period	34,422	N/A

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**Notes:**

*N/A – Not applicable*

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

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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

**A1. Basis of preparation**

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

This is the Company's first interim financial statements on the unaudited condensed consolidated financial results for the first quarter ended 30 September 2022 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding period.

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

**A2. Significant Accounting Policies**

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

**Adoption of new and amended standards**

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

- MFRS 3 Business Combinations – Reference to the Conceptual Framework (Amended to MFRS 3),
- MFRS 116 Property, Plant and Equipment – Proceeds Before Intended Use (Amended to MFRS 116),
- \*MFRS 137 Provisions, Contingent liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract (Amended to MFRS 137),
- Annual Improvements to MFRS Standards 2018-2020

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

*\* Not applicable to the Group's operations*



**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**A2. Significant Accounting Policies (cont'd)**

**Standards issued but not yet effective**

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

<b>Standards</b>	<b>Effective dates for financial period beginning on and after</b>
*MFRS 4 Insurance Contracts (Amendments to MFRS 4)	1 January 2023
*MFRS 17 Insurance Contracts (Amendments to MFRS 17)	1 January 2023
MFRS 101 Presentation of Financial Statements (Amendments to MFRS 101)	1 January 2023
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments to MFRS 108)	1 January 2023
*MFRS 112 Income Taxes (Amendments to MFRS 112)	1 January 2023
MFRS 10 and 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

*\* Not applicable to the Group's operations*

**A3. Auditors' report of preceding annual audited financial statements**

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

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**A4. Seasonal or cyclical factors**

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

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

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

**A6. Changes in estimates**

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

**A7. Debt and equity securities**

On 29 August 2022, the Company completed the acquisition of the entire issued share capital in the following companies:

- (a) acquisition of the entire equity interest in DS Packaging comprising 1,000,000 ordinary shares for a purchase consideration of RM21,297,096, satisfied by the issuance of 283,961,280 ordinary shares in DS Sigma ("**Share(s)**") at an issue price of RM0.075 per Share;
- (b) acquisition of the entire equity interest in DS Manufacturing comprising 2,400,000 ordinary shares for a purchase consideration of RM4,695,600 satisfied by the issuance of 62,608,000 Shares at an issue price of RM0.075 per Share; and
- (c) acquisition of the entire equity interest in Kaisung comprising 500,000 ordinary shares for a purchase consideration of RM3,168,802.50 satisfied by the issuance of 42,250,700 Shares at an issue price of RM0.075 per Share.

(Collectively defined as "**Acquisitions**")

On 13 December 2022, DS Sigma issued its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities. The Company has undertaken an IPO comprising public issue of 91,180,000 new Shares in the Company at an IPO price of RM0.55 per Share and offer for sale of 38,420,000 existing Shares by the existing shareholders of the Company at an offer price of RM0.55 per Share, allocated in the following manner:

**(i) Public issue**

- 24,000,000 new Shares made available for application by the Malaysian Public;

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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- 9,800,000 new Shares made available for application by eligible Directors, employees and person(s) who have contributed to the success of the Group;
- 35,800,000 new Shares made available by way of private placement to selected investors; and
- 21,580,000 new Shares made available by way of private placement to selected Bumiputera investors approved by the Ministry of International Trade and Industry, Malaysia ("**MITI**").

**(ii) Offer for sale**

- 38,420,000 existing Shares made available by way of private placement to selected Bumiputera investors approved by the MITI.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of RM79,310,500.50 comprising 480,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8. Dividends Paid**

The Company did not pay any dividend for the financial period ended 30 September 2022.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**A9. Segmental information**

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

- (a) Analysis of revenue by business segments

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	30.09.2022 RM'000	30.09.2021 <sup>(1)</sup> RM'000	30.09.2022 RM'000	30.09.2021 <sup>(1)</sup> RM'000
Manufacture of corrugated paper packaging products	20,176	N/A	20,176	N/A
Supply of protective packaging products	5,214	N/A	5,214	N/A
<b>Total</b>	<b>25,390</b>	<b>N/A</b>	<b>25,390</b>	<b>N/A</b>

- (b) Analysis of revenue by geographical location

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

**Notes:**

*N/A – Not applicable*

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

**A10. Valuation of property, plant and equipment**

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

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

Save for the completion of the Acquisitions and the corporate proposal as disclosed in A7 above, there were no other significant events subsequent to the end of the current quarter under review.

**A12. Changes in the composition of the Group**

Save for the Acquisitions as disclosed in the Note A7 above, there were no other material changes to the composition of the Group during the current financial quarter under review.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**A13. Contingent liabilities and contingent assets**

There were no contingent liabilities and contingent assets in the Group since the end of the last reporting period as at 30 September 2022.

**A14. Capital commitments**

	<b>As at 30.09.2022</b>
	<b>RM'000</b>
<b>Approved but not contracted for</b>	
- Expansion of operational facilities	35,400
- Purchase of new machinery and equipment	16,000
- Set up of packaging design and innovation centre	690
	<b>52,090</b>

Save as disclosed above, there were no other material capital commitments of the Group as at 30 September 2022.

**A15. Related party transactions**

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

	<b>&lt;-- Individual Quarter --&gt;</b>		<b>&lt;-- Cumulative Quarter --&gt;</b>	
	<b>Current year</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>quarter</b>	<b>year quarter</b>	<b>year-to-date</b>	<b>year-to-date</b>
	<b>30.09.2022</b>	<b>30.09.2021<sup>(1)</sup></b>	<b>30.09.2022</b>	<b>30.09.2021<sup>(1)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Related companies</b>				
Rental of premises	18	N/A	18	N/A
Provision of transport services	114	N/A	114	N/A
Purchase of goods	47	N/A	47	N/A
<b>Related parties</b>				
Rental of premises	123	N/A	123	N/A

**Note:**

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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

**B1. Review of performance**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.09.2022 RM'000	Preceding year quarter 30.09.2021 <sup>(1)</sup> RM'000	Current year-to-date 30.09.2022 RM'000	Preceding year-to-date 30.09.2021 <sup>(1)</sup> RM'000
Revenue	25,390	N/A	25,390	N/A
Gross profit	9,182	N/A	9,182	N/A
Profit before tax	6,135	N/A	6,135	N/A
Profit after tax	4,710	N/A	4,710	N/A

**Note:**

*N/A – Not applicable*

(1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded revenue of RM25.39 million for the current financial quarter and year-to-date ended 30 September 2022.

The Group's revenue was principally derived from the manufacturing segment accounting for approximately 79.46% of the total revenue for the current financial quarter ended 30 September 2022 which is driven by the sales of corrugated cartons and paper pallets in the electrical and electronic product sector.

The Group recorded a profit before tax and profit after tax of RM6.14 million and RM4.71 million, respectively, for the current quarter and year-to-date ended 30 September 2022 after deducting expenses which are mainly attributed to administrative expenses of RM2.96 million and finance costs of RM0.11 million. The administrative expenses mainly consist of staff costs, depreciation, maintenance fees for building and office equipment, insurance, professional fees, transportation and utilities.

This is the first interim financial report announced in compliance with the Listing Requirements. As such, there are no comparative figures for the corresponding preceding quarter results.

**B2. Comparison with immediate preceding quarter's results**

This is the first interim financial report announced in compliance with the Listing Requirements. As such, there are no comparative figures for the immediate preceding quarter results.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**B3. Prospects of the Group**

Based on Bank Negara Malaysia's Quarterly Bulletin 3Q 2022, the Malaysian economy registered a strong growth of 14.2% in real gross domestic product ("GDP") growth in the third quarter of 2022 compared to 8.9% in real GDP growth in second quarter. Besides that, manufactured sector grew by 13.2% in the third quarter of 2022 while the electrical and electronic ("E&E") cluster continued to record strong growth. The Group is confident to capture the upside of the economy by taking into consideration of the Group's competitive strengths, business strategies and the outlook of the E&E industry.

As disclosed in the Prospectus, the Group plans to expand its operational facilities through expanding its operation to Penang and establishing a new factory in Klang, Selangor. The Group also intends to establish a factory in Klang Selangor, which will serve as a corporate head office and to increase the Group's operational efficiency and productivity. The Group plans to expand to Penang, Malaysia as there are many electrical and electronics manufacturing companies located there.

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

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

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

**B4. Variance of actual profits from forecast profits**

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

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**B5. Other income**

	<---- Individual Quarter ---->		<--- Cumulative Quarter --->	
	Current year quarter 30.09.2022 RM'000	Preceding year quarter 30.09.2021 <sup>(1)</sup> RM'000	Current year-to-date 30.09.2022 RM'000	Preceding year-to-date 30.09.2021 <sup>(1)</sup> RM'000
Waste paper	8	N/A	8	N/A
Gain on disposal of property, plant and equipment	17	N/A	17	N/A
<b>Total</b>	<b>25</b>	<b>N/A</b>	<b>25</b>	<b>N/A</b>

**Note:**

*N/A – Not applicable*

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

**B6. Tax expense**

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.09.2022 RM'000	Preceding year quarter 30.09.2021 <sup>(1)</sup> RM'000	Current year-to-date 30.09.2022 RM'000	Preceding year-to-date 30.09.2021 <sup>(1)</sup> RM'000
Current tax expense	1,425	N/A	1,425	N/A
Effective tax rate (%) <sup>(2)</sup>	23.23	N/A	23.23	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

*N/A – Not applicable*

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate is lower than the statutory income tax rate due to a subsidiary is being taxed at 17% tax rate on the first RM600,000.



**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**B7. Status of corporate proposals**

Save as disclosed in A7 above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

**B8. Utilisation of proceeds**

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

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

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2022. As at the date of this interim financial report, the IPO is still pending completion and hence, the proceeds have yet to be raised and utilised by the Group.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

**B9. Lease liabilities and borrowings**

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

	<b>(Unaudited)</b> <b>As at</b> <b>30.09.2022</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>30.06.2022</b> <b>RM'000</b>
<b>Current liabilities</b>		
<u>Secured and guaranteed</u>		
Term loans	664	685
Lease liabilities	678	700
 <u>Secured but not guaranteed</u>		
Lease liabilities	490	484
	1,832	1,869
 <b>Non-current liabilities</b>		
<u>Secured and guaranteed</u>		
Term loans	7,991	8,172
Lease liabilities	1,173	1,238
 <u>Secured but not guaranteed</u>		
Lease liabilities	1,984	2,109
	11,148	11,519
 <b>Total lease liabilities &amp; borrowings</b>	<b>12,980</b>	<b>13,388</b>

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

**B10. Derivative financial instruments**

As at the 30 September 2022, the Group does not have any derivative financial instruments.

**B11. Fair value of financial liabilities**

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

**B12. Material litigation**

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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**B13. Dividends Proposed**

No dividend has been proposed or declared for payment by the Board of the Company during the current financial quarter and year-to-date under review.

**B14. Earnings per share**

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

	<-- Individual Quarter -->		<-- Cumulative Quarter -->	
	Current year quarter 30.09.2022	Preceding year quarter <sup>(1)</sup> 30.09.2021	Current year-to-date 30.09.2022	Preceding year-to-date <sup>(1)</sup> 30.09.2021
Profit attributable to owners of the Company (RM'000)	4,710	N/A	4,710	N/A
Weighted average number of ordinary shares in issue ('000)	139,468	N/A	139,468	N/A
Basic earnings per share (sen) <sup>(2)</sup>	3.38	N/A	3.38	N/A
Diluted earnings per share (sen) <sup>(3)</sup>	3.38	N/A	3.38	N/A

**Notes:**

*N/A – Not applicable*

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the profits attributable to owners of the Company divided by the weighted average number of ordinary shares of 139,468,056 Shares in issue as at 30 September 2022.
- (3) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any no dilutive instruments as at the end of the financial period.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

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

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

	<-- Individual Quarter -->		<-- Cumulative Quarter-->	
	Current year quarter 30.09.2022 RM'000	Preceding year quarter <sup>(1)</sup> 30.09.2021 RM'000	Current year-to-date 30.09.2022 RM'000	Preceding year-to- date <sup>(1)</sup> 30.09.2021 RM'000
After (crediting)/ charging:				
Interest income	(83)	N/A	(83)	N/A
Other income	(25)	N/A	(25)	N/A
Finance costs	112	N/A	112	N/A
Depreciation of property, plant and equipment	635	N/A	635	N/A

**Notes:**

*N/A – Not applicable*

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 30 September 2022 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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

**BY ORDER OF THE BOARD**  
**DS SIGMA HOLDINGS BERHAD**  
**4 January 2023**