

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF DS SIGMA HOLDINGS BERHAD (“DS SIGMA” OR THE “COMPANY”) DATED 13 DECEMBER 2022 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, Public Investment Bank Berhad (“**PIVB**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, from the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, PIVB and DS Sigma take no responsibility for the distribution of the Electronic Prospectus and / or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 13 December 2022 and will close at 5.00 p.m. on 21 December 2022 or for such further period or periods as the Directors of DS Sigma in their absolute discretion may decide. In the event there is any change to the indicative timetable above, DS Sigma will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia, and make an announcement on the Website.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and / or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

P R O S P E C T U S



DS SIGMA HOLDINGS BERHAD

(Registration No. 202101030362 (1430662-K))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF DS SIGMA HOLDINGS BERHAD (“DS SIGMA” OR “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

- (I) PUBLIC ISSUE OF 91,180,000 NEW ORDINARY SHARES IN DS SIGMA (“SHARES”) IN THE FOLLOWING MANNER:
- 24,000,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 9,800,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSON(S) WHO HAVE CONTRIBUTED TO THE SUCCESS OF DS SIGMA AND ITS SUBSIDIARIES;
 - 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”);

AND

- (II) OFFER FOR SALE OF 38,420,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY MITI,

AT AN ISSUE / OFFER PRICE OF RM0.55 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent



PUBLIC INVESTMENT BANK BERHAD

(Registration No. 197401002880 (20027-W))
A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE “RISK FACTORS” COMMENCING ON PAGE 178.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES BEING OFFERED FOR INVESTMENT. BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA (“SC”) UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED
13 DECEMBER 2022



DS SIGMA HOLDINGS BERHAD
(Registration No. 202101030362 (1430662-K))
(Incorporated in Malaysia under the Companies Act 2016)

P R O S P E C T U S



DS SIGMA HOLDINGS BERHAD

(Registration No. 202101030362 (1430662-K))
(Incorporated in Malaysia under the Companies Act 2016)

www.dssigma.com.my

RESPONSIBILITY STATEMENTS

OUR DIRECTORS, PROMOTERS AND SELLING SHAREHOLDERS (AS DEFINED IN THIS PROSPECTUS) HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

PUBLIC INVESTMENT BANK BERHAD (“PIVB”), BEING THE PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT IN RELATION TO THE IPO, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE IPO.

STATEMENTS OF DISCLAIMER

APPROVAL HAS BEEN OBTAINED FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING OFFERED. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE IPO, OUR COMPANY OR OUR SHARES.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR COMPANY’S PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS (AS DEFINED IN THIS PROSPECTUS), HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”) FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SHARES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

OUR SHARES ARE CLASSIFIED AS SHARIAH COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SC. THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THIS PROSPECTUS UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW UNDERTAKEN BY THE SHARIAH ADVISORY COUNCIL OF THE SC. THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES, ON THE LAST FRIDAY OF MAY AND NOVEMBER.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF OUR IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR IPO SHARES ARE ISSUED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. OUR DIRECTORS, PROMOTERS, SELLING SHAREHOLDERS, PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR DIRECTORS, PROMOTERS, SELLING SHAREHOLDERS, PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION NOT CONTAINED IN THIS PROSPECTUS.

IT SHALL BE YOUR SOLE RESPONSIBILITY, IF YOU ARE OR MAY BE SUBJECTED TO THE LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA, TO CONSULT YOUR PROFESSIONAL ADVISERS AS TO WHETHER YOUR APPLICATION FOR OUR IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS. NEITHER WE NOR OUR PRINCIPAL ADVISER NOR ANY OF OUR ADVISERS IN RELATION TO OUR IPO SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU BECOMES ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN ANY SUCH COUNTRY OR JURISDICTION.

FURTHER, IT SHALL BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR OUR IPO COMPLIES WITH THE TERMS OF OUR IPO AND WOULD NOT CONTRAVENE ANY LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED OUR IPO IN MALAYSIA AND WILL BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCES AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

ELECTRONIC PROSPECTUS

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS (AS DEFINED IN THIS PROSPECTUS) AND THE COPY OF THIS PROSPECTUS REGISTERED WITH BURSA SECURITIES ARE THE SAME.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM AND THAT YOUR INTERNET SHARE APPLICATION (AS DEFINED IN THIS PROSPECTUS) IS SUBJECT TO THE RISK OF PROBLEMS OCCURRING DURING DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION (AS DEFINED IN THIS PROSPECTUS). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU ARE IN DOUBT AS TO THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER / PRINTED COPY OF THIS PROSPECTUS.

IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER / PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER / PRINTED COPY OF THIS PROSPECTUS, WHICH IS IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED BY BURSA SECURITIES, SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES ("**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD-PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD-PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD-PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD-PARTY INTERNET SITES;
- (II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD-PARTY INTERNET SITES OR FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS, DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD-PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD-PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER ANY OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE;
- (II) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (III) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF THE ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COST, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN THE ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH THE WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOU OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND / OR PROBLEMS OCCURRING DURING DATA TRANSMISSION, WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Event	Date
Opening of the application period for the IPO	13 December 2022
Closing of the application period for the IPO	21 December 2022
Balloting of applications	27 December 2022
Allotment of IPO Shares to successful applicants	4 January 2023
Listing on the ACE Market	6 January 2023

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia.

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DEFINITIONS

The following abbreviations shall apply throughout this Prospectus, unless the abbreviations are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

DS Sigma or Company	: DS Sigma Holdings Berhad (202101030362 (1430662-K))
DS Sigma Group or Group	: DS Sigma and the Subsidiaries, collectively
DS Manufacturing	: Dai Suwon Manufacturing Sdn Bhd (200401010175 (648678-M))
DS Packaging	: Dai Suwon Packaging Sdn Bhd (200301016198 (618618-W))
Kaisung	: Kaisung Industries Sdn Bhd (200201010695 (578358-T))
Subsidiaries	: DS Manufacturing, DS Packaging and Kaisung, collectively

GENERAL

ACE Market	: ACE Market of Bursa Securities
Acquisitions	: Acquisition of DS Manufacturing, Acquisition of DS Packaging and Acquisition of Kaisung, collectively
Acquisition of DS Manufacturing	: Acquisition by DS Sigma of the entire equity interest of DS Manufacturing, comprising 2,400,000 DS Manufacturing Shares for a purchase consideration of RM4,695,600, satisfied via the issuance of 62,608,000 new Shares at an issue price of RM0.075 each, which was completed on 29 August 2022
Acquisition of DS Packaging	: Acquisition by DS Sigma of the entire equity interest of DS Packaging, comprising 1,000,000 DS Packaging Shares for a purchase consideration of RM21,297,096, satisfied via the issuance of 283,961,280 new Shares at an issue price of RM0.075 each, which was completed on 29 August 2022
Acquisition of Kaisung	: Acquisition by DS Sigma of the entire equity interest of Kaisung, comprising 500,000 Kaisung Shares for a purchase consideration of RM3,168,802.50, satisfied via the issuance of 42,250,700 new Shares at an issue price of RM0.075 each, which was completed on 29 August 2022
Act	: Companies Act 2016
ADA	: Authorised depository agent
AGM	: Annual General Meeting
Applicant(s)	: Applicant(s) for the IPO Shares by way of Application Forms, Electronic Share Application and / or Internet Share Application
Application(s)	: Application(s) for the IPO Shares by way of Application Forms, Electronic Share Application and / or Internet Share Application
Application Form(s)	: Printed application form(s) for the application of the IPO Shares
ATM(s)	: Automatic teller machine(s)
Batu Kawan Warehouse	: Proposed establishment of a warehouse cum office in Batu Kawan, Penang
BL Kaizen	: BL Kaizen Network Sdn Bhd (200001025906 (528513-T))

DEFINITIONS (*Cont'd*)

BLR	:	Base lending rate
Board	:	Board of Directors of DS Sigma
Bumiputera Investors	:	Bumiputera investors including individuals, companies, societies, co-operatives and institutions, collectively
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCC	:	Certificate of completion and compliance
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CFO	:	Certificate of fitness for occupation
CMCO	:	Conditional MCO
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of DS Sigma
Consumer E&E	:	Consumer of electrical and electronics
COVID-19	:	Novel coronavirus disease, an infectious respiratory disease which first broke out in 2019
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of DS Sigma and within the meaning given in Section 2 of the CMSA
DS Kaizen	:	DS Kaizen Sdn Bhd (202201005457 (1451154-W))
DS Kaizen Share(s)	:	Ordinary share(s) in DS Kaizen
DS Manufacturing Share(s)	:	Ordinary share(s) in DS Manufacturing
DS Manufacturing Vendors	:	Beh Seng Lee, Loi Guak Lian, Lucille Teoh Soo Lien and Yong Chong Long, collectively
DS Packaging Share(s)	:	Ordinary share(s) in DS Packaging
DS Packaging Vendors or Kaisung Vendors	:	Beh Seng Lee and Lucille Teoh Soo Lien, collectively
E&E	:	Electrical and electronics
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment insurance system

DEFINITIONS (*Cont'd*)

Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and / or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	Application for the IPO Shares through Participating Financial Institutions' ATM
Eligible Persons	:	Eligible Directors and employees of our Group as well as any other persons who have contributed to our success, collectively
EMCO	:	Enhanced MCO implemented in a large part of Selangor and several localities in Kuala Lumpur from 3 July 2021 to 16 July 2021
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
Executive Directors	:	Lucille Teoh Soo Lien, Beh Seng Lee and Beh Le Hao, collectively
Financial Years Under Review	:	FYE 30 June 2019, FYE 30 June 2020, FYE 30 June 2021 and FYE 30 June 2022, collectively
FYE	:	Financial year ended / ending, as the case may be
Government	:	Government of Malaysia
GP	:	Gross profit
GS Paperboard	:	GS Paperboard & Packaging (Selangor) Sdn Bhd (198901010307 (187609-P))
ICA	:	Industrial Co-ordination Act 1975
Industry Overview Report	:	Industry overview report titled "Independent Assessment of the Packaging Industry in Malaysia" prepared by Vital Factor as set out in Section 7 of this Prospectus
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 14.6 of this Prospectus
Internet Share Application	:	Application for the IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
IPO	:	Initial public offering of the IPO Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market
IPO Price	:	RM0.55 per IPO Share
IPO Share(s)	:	Issue Share(s) and Offer Share(s), collectively
Issue Share(s)	:	91,180,000 new Share(s) to be issued pursuant to the Public Issue
Issuing House or Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
Kaisung Share(s)	:	Ordinary share(s) in Kaisung
Key Senior Management	:	Key senior management team (excluding Executive Directors) of our Company

DEFINITIONS (Cont'd)

kg	:	Kilogram
Klang Factories	:	No. 27 Klang Factory and No. 29 Klang Factory, collectively
Klang Factory 2	:	Proposed establishment of a new head office and factory in Klang
Listing	:	Admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital of RM79,310,500.50, comprising 480,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	The exercise undertaken by our Company comprising the Acquisitions, IPO and Listing, collectively
LPD	:	14 November 2022, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated, organised or formed under the laws of Malaysia
Management	:	Executive Directors and Key Senior Management, collectively
Market Day(s)	:	Any day(s) on which Bursa Securities is open for trading of securities
MCO	:	Nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of the COVID-19 pandemic
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of International Trade and Industry, Malaysia
mm	:	Millimetre
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Nilai Factory	:	A double storey detached office cum single storey factory on a freehold industrial land owned by DS Manufacturing bearing postal address of Lot 16132, Jalan Nilai 3/12, Kawasan Perindustrian Nilai 3, 71800 Nilai, Negeri Sembilan
No. 27 Klang Factory	:	An intermediate single storey semi-detached factory with double storey office on a leasehold industrial land owned by DS Packaging bearing postal address of No. 27, Lorong Jala 14/KS10, Jalan Telok Gong, 42000 Port Klang, Selangor
No. 29 Klang Factory	:	An intermediate single storey semi-detached factory with double storey office on a leasehold industrial land rented by DS Manufacturing bearing postal address of No. 29, Lorong Jala 14/KS10, Jalan Telok Gong, 42000 Port Klang, Selangor
NRP	:	National Recovery Plan comprising 4-phases, introduced by the Government on 15 June 2021

DEFINITIONS (*Cont'd*)

Offer for Sale	:	Offer for sale of 38,420,000 Offer Shares by the Selling Shareholders at the IPO Price by way of private placement to Bumiputera investors approved by MITI
Offer Share(s)	:	38,420,000 Share(s) to be offered for sale by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market and not removed
PAACM	:	Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd (197201000341 (11969-T))
Panasonic Group of Companies	:	PAACM, Panasonic Appliances Air-Conditioning (R&D) Malaysia Sdn Bhd, Panasonic Manufacturing Malaysia Berhad, Panasonic Procurement Malaysia Sdn Bhd and PAVC, collectively
Participating Financial Institutions	:	Participating financial institution(s) for the Electronic Share Application as listed in Section 14.5 of this Prospectus
PAT	:	Profit after taxation
PAVC	:	Panasonic AVC Network Kuala Lumpur Malaysia Sdn Bhd (198801003344 (170701-M))
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	Allocation of 9,800,000 Issue Shares for subscription by the Eligible Persons
PIVB or Principal Adviser or Sponsor or Sole Underwriter or Sole Placement Agent	:	Public Investment Bank Berhad (197401002880 (20027-W))
PPE	:	Property, plant and equipment
Prescribed Security	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Promoters	:	Lucille Teoh Soo Lien, Beh Seng Lee and Beh Le Hao, collectively
Prospectus	:	This Prospectus dated 13 December 2022 in relation to the IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public	:	All persons or members of the public but excluding our Group's directors, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
Public Issue	:	Public issue of 91,180,000 new Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Puchong Facility	:	2 units of 1½ storey terrace factory rented by DS Packaging bearing postal address of No. 36 & 38, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor
QA	:	Quality assurance

DEFINITIONS (*Cont'd*)

Record of Depositors	: A record provided by Bursa Depository to our Company under the Rules
Reporting Accountants or GT	: Grant Thornton Malaysia PLT 201906003682 (<i>LLP0022494-LCA</i>) & <i>AF 0737</i>
RM and sen	: Ringgit Malaysia and sen, respectively
RMCO	: Recovery MCO
Rules	: Rules of Bursa Depository
SAC	: Shariah Advisory Council of the SC
Samsung Electronics	: Samsung Electronics (Malaysia) Sdn Bhd (<i>198901009690 (186991-D)</i>)
SC	: Securities Commission Malaysia
Scheduled Wastes Regulations	: Environmental Quality (Scheduled Wastes) Regulations 2005
Selling Shareholders	: Lucille Teoh Soo Lien and Beh Seng Lee, collectively
Share(s)	: Ordinary shares in DS Sigma
Share Transfer	: Transfer of 292,800,000 Shares held by Lucille Teoh Soo Lien and Beh Seng Lee to DS Kaizen during the prescription period
SICDA	: Securities Industry (Central Depositories) Act 1991
SOCSO	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SOEM	: Sony EMCS (Malaysia) Sdn Bhd (<i>198901006539 (183842-X)</i>)
Sony Group of Companies	: SOEM and SSCSM, collectively
SOP	: Standard operating procedures
Specified Shareholders	: DS Kaizen, Lucille Teoh Soo Lien, Beh Seng Lee and Beh Le Hao, collectively
sq. ft.	: Square feet
SSCSM	: Sony Supply Chain Solutions (Malaysia) Sdn Bhd (<i>198901008310 (185612-K)</i>)
SST	: Sales and service tax
Underwriting Agreement	: Underwriting agreement dated 3 November 2022 entered into between DS Sigma and the Sole Underwriter pursuant to the Public Issue
Vital Factor or IMR	: Vital Factor Consulting Sdn Bhd (<i>199301012059 (266797-T)</i>), the independent business and market research consultants

GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus in connection with our Group and business bear the same meanings as set out below unless the terms are defined otherwise or the context requires otherwise. The terminologies and their meaning are based on the context of this Prospectus and may not correspond to the standard industry meanings or usage of these terms.

Assembly	: In the context of this Prospectus, assembly refers to the folding and assembly of die-cut carton blanks into a carton or tray
Box	: Box is used interchangeably with carton
Bundle	: A small group of boxes grouped together for shipment, usually with plastic banding
Carton	: A box made from corrugated board or heavy-duty cardboard for packaging purposes. In the context of this Prospectus, all mention of carton refers to corrugated paper carton, unless specified otherwise
Carton blank	: A flat sheet of corrugated board that has been cut, scored and slotted, but not yet glued or stitched together
Container loading efficiency	: Container loading efficiency refers to the optimum utilisation of space within a container to store the palletised cartons while ensuring protection of goods during shipping
Corrugated board	: Refers to a constructed board comprising at least 1 layer of paper formed into a series of waves commonly referred to as corrugated medium or fluting with at least 1 sheet of paper glue on to the wave. Commonly, there is a top and bottom flat sheet of paper referred to as a liner that sandwiched the corrugating medium. To provide higher strengths, corrugated board can have 2 or 3 corrugating mediums separated as well as sandwiched with liners. The type of paper used for the liner and corrugating paper are referred to as industrial brown paper as they are mostly unbleached and thus, brown in colour in their natural manufactured state. Corrugated board is the main input material to manufacture corrugated carton and corrugated protective packaging
Corrugated carton	: In the context of this Prospectus, it refers to corrugated paper carton
Die-cut	: A cutting instrument designed to obtain a desired cut-out shape with a single force onto another object such as a corrugated board. The cutting instrument comes in the form of a die with sharp edges to cut out the desired shape. A corrugated carton that has a hole cut-out is referred to as a die-cut carton. It is highly customisable and can be designed to cut out most geometric shapes
EPE	: Expanded polyethylene is a protective packaging material that is light in weight and flexible with ability to absorb shock and provides good cushioning to fragile and delicate products
EPS	: Expanded polystyrene is a protective packaging material that is light in weight, provides good cushioning to fragile and delicate products, and have good insulation properties
Flexographic printing	: Flexographic printing is a printing technique that uses a flexible printing plate to print high volumes of packaging material
Flexographic printing machine	: In the context of this Prospectus, our flexographic printing machine has printing, slotting and rotary die-cutting function

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Flute	: The wavy layer of paper in a corrugated board also referred to as a corrugated medium that is glued between an inner and outer flat liner paper. The height and the breadth of the wave may be varied to provide different strengths to the corrugated board or carton
Foam	: A plastic sheet impregnated with multiple tiny bubbles all over the plastic sheet to serve as cushioning material
Folder-type carton	: A type of carton which consist only of one piece of board where the bottom of the carton is folded to form the side wall and the cover. It is easily set up without any adhesive or jointing
HDPE foam	: High-density polyethylene foam is a type of plastic that is transparent, lightweight and strong. It is commonly used in plastic bottles, toys, chemical containers and pipe systems. It is also used in making plastic bags and sheets. HDPE has a higher abrasion and tear resistance compared to LDPE
JIT	: Just-in-time is an inventory management method in which minimal inventory is maintained and goods are received from suppliers only as and when they are needed
Joint	: In the context of packaging manufacturing, it refers to the opposite edges of the carton blank glued, stapled, wire stitched or taped together to form a carton
Kraftliner	: A type of unbleached paper containing at least 80% of virgin pulp to provide high strengths to the paper. Typically, a kraftliner of equal thickness to a testliner or corrugating medium would have higher tensile strengths, burst strengths and pierce strengths
LDPE foam	: Low-density polyethylene foam is a type of plastic that is soft, transparent, lightweight and flexible. It is commonly used in flexible packaging such as plastic bags, wraps and films
Packaging design	: Packaging design refers to the process of creating the physical packaging form and this includes the choices in material, shape and dimension, as well as graphics, colours and fonts that are used on the packaging product
Packaging efficiency	: Packaging efficiency refers to the optimum utilisation of space within a carton to store the goods while ensuring protection of the goods within the carton
Packaging optimisation	: Packaging optimisation refers to packaging design which uses the least number of materials while achieving the necessary quality and strength required
PE foam	: Polyethylene foam is a durable, lightweight, resilient and closed-cell material. It is commonly used for packaging industrial and agricultural goods due to its excellent vibration dampening and insulation properties. It also has high resistance to chemicals and moisture
PU foam	: Polyurethane foam is a light, durable, supportive and comfortable material. It is commonly used for cushioning for a variety of industrial and consumer products including packaging, bedding, furniture, automotive interior and carpet underlay. It can be created in almost any variety of shapes and firmness
Slitting	: A process to make a long and narrow cut. A slitting machine is typically used to cut a piece of cardboard into several smaller pieces
Slotted-type carton	: It is the most common design of corrugated carton that are slotted and scored for easy folding and assembly

GLOSSARY OF TECHNICAL TERMS (*Cont'd*)

Slotting : A process to make a narrow hole in which an object can be inserted. A slotting machine is typically used to make narrow hole on both ends of a corrugated board to create flaps for the boxes

Testliner : A type of unbleached paper containing mostly recycled paper combined with at least 20% of virgin pulp. Testliner is normally used as the top and bottom paper liner that sandwiched a corrugating medium

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” and “DS Sigma” in this Prospectus are to DS Sigma Holdings Berhad, while references to “our Group” are to our Company and our Subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and Key Senior Management as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders, and *vice versa*. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia, and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange in this Prospectus shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or are exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview Report. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations are forward-looking statements. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 8 – Risk Factors and Section 11.3 – Management’s Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements made in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6, Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name / (Designation)	Address	Nationality
Mohamad Ismail Bin Abu Bakar (M) <i>(Independent Non-Executive Chairman)</i>	23, Jalan Elektronik, U16/39 Seksyen U16, Denai Alam 40160 Shah Alam Selangor	Malaysian
Lucille Teoh Soo Lien (F) <i>(Managing Director)</i>	No. 168-23-6, Fettes Residence Jalan Tanjung Tokong 10470 Pulau Pinang	Malaysian
Beh Seng Lee (M) <i>(Executive Director)</i>	A 33A-08 The Park Sky Residence Persiaran Jalil Utama Bukit Jalil 57000 Kuala Lumpur	Malaysian
Beh Le Hao (M) <i>(Executive Director)</i>	A 33A-08 The Park Sky Residence Persiaran Jalil Utama Bukit Jalil 57000 Kuala Lumpur	Malaysian
Lee Yew Weng (M) <i>(Independent Non-Executive Director)</i>	16, Jalan CH3 Taman Cheras Hartamas Batu 9 43200 Cheras Selangor	Malaysian
Loo Hee Guan (M) <i>(Independent Non-Executive Director)</i>	33A, The Airie Persiaran Meranti Bandar Sri Damansara 52200 Kuala Lumpur	Malaysian
Maznida Binti Mokhtar (F) <i>(Independent Non-Executive Director)</i>	29, Jalan Puncak Kiara Utama Kiara View Desa Sri Hartamas 50480 Kuala Lumpur	Malaysian

Notes:

(M) Male.

(F) Female.

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1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Lee Yew Weng	Chairman	Independent Non-Executive Director
Loo Hee Guan	Member	Independent Non-Executive Director
Maznida Binti Mokhtar	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Loo Hee Guan	Chairman	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director
Maznida Binti Mokhtar	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Maznida Binti Mokhtar	Chairperson	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director
Loo Hee Guan	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Cheng Chia Ping
SSM Practicing : 202008000730
Certificate No.
Professional : Malaysian Institute of Chartered
Qualification : Secretaries and Administrators
("MAICSA")
(MAICSA Membership No.: MAICSA
1032514 PRACTITIONER)
- Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Telephone No. : (603) 2084 9000
Fax No. : (603) 2094 9940
- REGISTERED OFFICE** : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Telephone No. : (603) 2084 9000
Fax No. : (603) 2094 9940
- HEAD OFFICE** : No. 36, Jalan BP 5/6
Bandar Bukit Puchong
47100 Puchong
Selangor
Telephone No. : (603) 8060 1678
Fax No. : (603) 8060 1676
Website : www.dssigma.com.my
Email : investor@dssigma.com.my
- PRINCIPAL ADVISER,
SPONSOR, SOLE
UNDERWRITER AND SOLE
PLACEMENT AGENT** : Public Investment Bank Berhad (197401002880 (20027-W))
Level 27, Menara Public Bank 2
No. 78, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (603) 2036 2800
Fax No. : (603) 2036 2860
- SOLICITORS FOR THE IPO** : Jeff Leong, Poon & Wong
B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : (603) 2203 3388
Fax No. : (603) 2303 3399

1. CORPORATE DIRECTORY (Cont'd)

EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS	: Grant Thornton Malaysia 201906003682 (LLP0022494-LCA) & AF 0737 Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Telephone No. : (603) 2692 4022 Fax No. : (603) 2692 5119 Partner-in-charge : Lim Soo Sim Approval No. : 03335/11/2023 J Professional : Chartered Accountant, Malaysian Qualifications : Institute of Accountants (“MIA”) (MIA Membership No.: 30248)
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	: Vital Factor Consulting Sdn Bhd (199301012059 (266797-T)) V Square @ PJ City Centre (VSQ) Block 6, Level 6 Jalan Utara 46200 Petaling Jaya Selangor Telephone No. : (603) 7931 3188 Fax No. : (603) 7931 2188 Person-in-charge : Wooi Tan Professional : Qualifications : <ul style="list-style-type: none">• Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia• Bachelor of Science from The University of New South Wales, Australia; and• Fellow of the Australian Marketing Institute and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)
ISSUING HOUSE AND SHARE REGISTRAR	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone No. : (603) 2783 9299 Fax No. : (603) 2783 9222
LISTING SOUGHT	: ACE Market of Bursa Securities
SHARIAH STATUS	: Approved by the SAC

2. APPROVALS AND CONDITIONS

2.1 APPROVALS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, via its letter dated 11 August 2022, approved the admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of our Company of RM79,310,500.50 comprising 480,000,000 Shares on the ACE Market (“**Approval Letter**”).

The approval from Bursa Securities is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Submit the following information in respect of the moratorium on the shareholdings of the Promoters to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares.	To be complied
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
3.	The Bumiputera equity requirements for public listed companies as approved / exempted by the SC including any conditions imposed thereon.	To be complied
4.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements.	To be complied
5.	Furnish to Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of DS Sigma on the first day of listing.	To be complied
6.	In relation to the Public Issue to be undertaken by DS Sigma, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment / allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and (iv) Disclosure of placees who become substantial shareholders of DS Sigma arising from the Public Issue, if any.	To be complied
7.	DS Sigma or PIVB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval upon the admission of DS Sigma to the Official List.	To be complied

2.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, via its letter dated 15 August 2022, approved the resultant equity structure of DS Sigma pursuant to our Listing under the equity requirements for public listed companies, subject to the following conditions:

2. APPROVALS AND CONDITIONS (Cont'd)

No.	Conditions	Status of compliance
1.	DS Sigma allocating Shares equivalent to 12.50% of its enlarged number of issued shares at the point of Listing to Bumiputera Investors to be approved by MITI.	To be complied
2.	DS Sigma is to make available at least 50.00% of the Shares offered to the Malaysian Public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied

The SC had noted the effects of our Listing on the equity structure of our Group as follows:

Category of shareholders	As at 28 February 2022		After the Listing	
	No. of Shares	(%)	No. of Shares	(%)
Bumiputera				
- Bumiputera Investors to be approved by MITI	-	-	^(a) 60,000,000	12.50
- Bumiputera public investors via balloting	-	-	^(a) 12,000,000	2.50
- Others	-	-	^(b) 600,000	0.12
Total Bumiputera	-	-	72,600,000	15.12
Non-Bumiputera	20	100.00	^(b) 407,400,000	84.88
Malaysians	20	100.00	480,000,000	100.00
Foreigners	-	-	-	-
TOTAL	20	100.00	480,000,000	100.00

Notes:

(a) Based on the assumption that the Shares offered to Bumiputera Investors to be approved by MITI and to Bumiputera public investors via balloting shall be fully subscribed.

(b) Based on the assumption that Shares offered to the eligible Directors shall be fully subscribed.

2.1.3 MITI

MITI had, vide its letter dated 25 May 2022, taken note of and has no objection to our Listing.

2.1.4 SAC

The SAC had, vide its letter dated 28 September 2022, classified our Shares as Shariah-compliant based on the audited combined financial statements of DS Sigma for the FYE 30 June 2021.

2. APPROVALS AND CONDITIONS (Cont'd)

2.2 MORATORIUM ON SALE OF SHARES

In compliance with Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market.

Details of our Specified Shareholders and their Shares which will be subject to moratorium are as follows:

Name of Specified Shareholders	Moratorium shares	
	No. of Shares	^(a) % of enlarged share capital
DS Kaizen	292,800,000	61.00
Lucille Teoh Soo Lien	24,860,000	5.18
Beh Seng Lee	1,436,000	0.30
Beh Le Hao	^(b) 1,000,000	0.21

Notes:

- (a) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (b) Issue Shares allocated to Beh Le Hao under the Pink Form Allocation.

Our Specified Shareholders have provided written undertaking letters that they will not sell, transfer or assign any part of their interest in the Shares during the moratorium period. In addition, the shareholders of DS Kaizen namely, Lucille Teoh Soo Lien and Beh Seng Lee have also undertaken not to sell, transfer or assign any part of their shareholdings in DS Kaizen during the moratorium period.

The moratorium, which is fully accepted by our Specified Shareholders is specifically endorsed on our share certificate representing their shareholdings, which is under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

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3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS RELATING TO OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

Number of Shares to be issued under the Public Issue	91,180,000
- <i>Malaysian Public</i>	24,000,000
- <i>Eligible Persons</i>	9,800,000
- <i>Private placement to selected investors</i>	35,800,000
- <i>Private placement to selected Bumiputera Investors approved by MITI</i>	21,580,000
Number of Shares to be offered under the Offer for Sale	38,420,000
Enlarged issued share capital upon Listing	RM79,310,500.50 comprising 480,000,000 Shares
IPO Price	RM0.55
Market capitalisation upon Listing (based on the IPO Price and our enlarged number of issued Shares after the IPO)	RM264,000,000

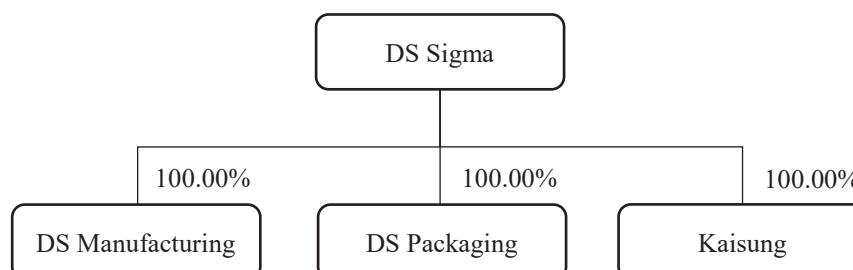
Further details on our IPO are set out in Section 4.1 of this Prospectus.

Our Specified Shareholders' entire shareholdings after IPO will be held under moratorium for 6 months from the date of our Listing.

3.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Act on 20 September 2021 as a private limited company under the name of DS Sigma Holdings Sdn Bhd and was subsequently converted to a public limited company on 17 February 2022. DS Sigma is an investment holding company. Through our Subsidiaries, we are principally involved in the manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets as well as supply of non-paper based protective packaging products such as plastic, foam and rubber products.

Our Group's corporate structure is as follows:



3. PROSPECTUS SUMMARY (Cont'd)

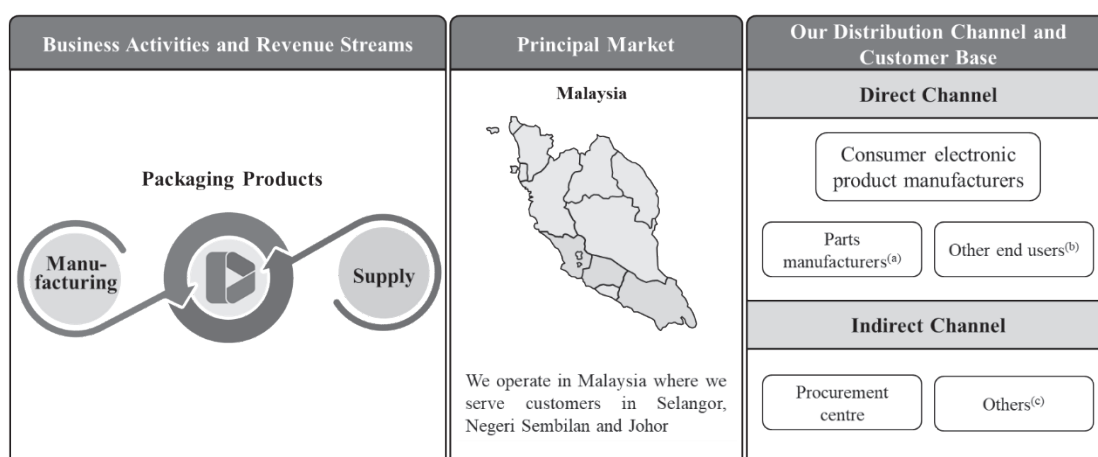
The principal activities of our Subsidiaries are as follows:

Subsidiaries	Principal activities
DS Manufacturing ^(a)	Manufacture of corrugated paper packaging products
DS Packaging ^(a)	Manufacture of corrugated paper packaging products and supply of protective packaging products
Kaisung	Supply of protective packaging products

Note:

- (a) DS Manufacturing is primarily involved in the manufacturing of corrugated paper packaging product while DS Packaging is involved in both the manufacturing of corrugated paper packaging products as well as supply of other non-paper packaging products such as plastic, foam and rubber products.

The following is an overview of our Group’s business model:



Notes:

- (a) Include mainly manufacturers of precision metal parts, E&E parts and plastic parts.
- (b) Include manufacturers of gloves and fasteners.
- (c) Include paper and plastic packaging manufacturers, and providers of logistics and printing services.

We are a packaging products provider with in-house manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets. We also supply non-paper based protective packaging products such as plastic, foam and rubber products.

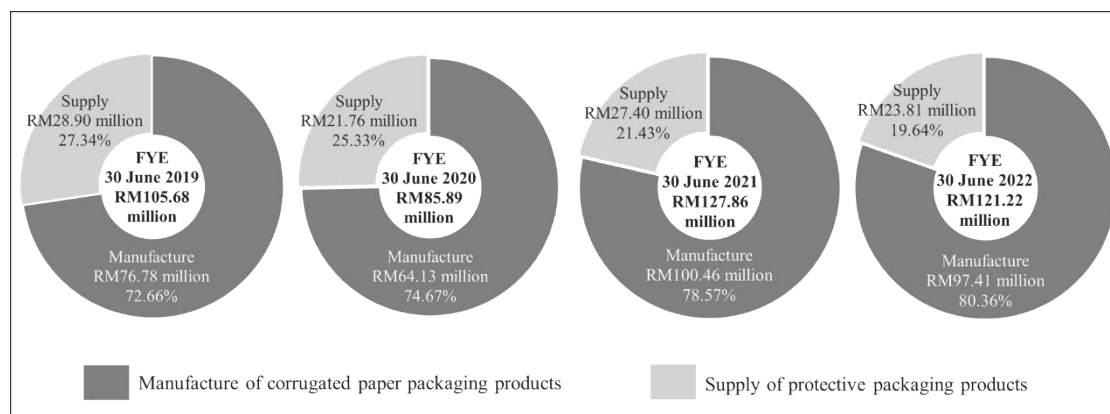
We focus on providing industrial and consumer durable goods packaging. Our industrial packaging refers to packaging of parts and components for the various stages of the manufacturing process. Some of these include metal, plastic, E&E parts and components. Meanwhile, our consumer durable goods packaging refers to the containment and protection of finished goods, such as television and microwave ovens, for handling, storage and transportation.

Our business involves the provision of total and partial packaging including sales of individual packaging items. In total packaging, we sell our packaging products as a complete set, which may comprise a combination of our in-house manufactured products such as corrugated cartons, protective packaging and paper pallets, as well as externally purchased non-paper based protective packaging materials. For partial packaging, part of the packaging materials is purchased by our customers separately to complement our packaging materials.

3. PROSPECTUS SUMMARY (Cont'd)

We also provide value-added services for some of our customers including the provision of front-end value-added services such as design support and packaging optimisation, as well as assembly and packing services.

Our revenue segmentation by business activities are as follows:



Our principal market is Malaysia where we derived all our revenue for the Financial Years Under Review and up to the LPD. Within Malaysia, we mainly serve customers located in Selangor, Negeri Sembilan and Johor.

We utilise both direct and indirect distribution channels. We mainly utilise direct distribution channel where we market and sell our packaging products directly to the end users of our packaging products. Our direct distribution channel strategy focuses on our sales and marketing activities directly with the ultimate end users, which enable us to work closely to meet their packaging and logistics needs.

We also utilise indirect distribution channel where we market and sell our products to intermediaries including procurement centres, packaging manufacturers, and logistics and printing service providers. These intermediaries would then resell our packaging product to end users.

Further details of our Group and business model are set out in Section 6 of this Prospectus.

3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths are as set out below:

- (i) We are able to provide packaging products supported by our in-house manufacturing of corrugated board products, supply of packaging materials and provision of value-added services. We serve as a convenient one-stop packaging centre to some customers. This includes the provision of corrugated paper and protective packaging as a total packaging and selling our packaging products as a complete set. Our ability to provide convenience to our customers enable us to cultivate customer loyalty to retain existing customers as well as to attract new customers.
- (ii) We have an established track record of 20 years to serve as a platform for business sustainability and growth. Throughout our 20 years of operations, we have developed and established long-term relationships with our customers where our top 5 major customers have been dealing with us between 9 years to 20 years since we commenced business.
- (iii) We can provide fast delivery of goods to our customers while having a lean inventory management system. Our systematic inventory management and timely delivery of finished goods to customers help to create a loyal customer base to generate recurrent sales from existing customers.
- (iv) We have an experienced management and technical team to lead, manage and grow our business. The team is headed by our Managing Director, Lucille Teoh Soo Lien and our Executive Director, Beh Seng Lee who bring with them approximately 30 years and 29 years of experience in the packaging industry, respectively. They are supported by our Key Senior Management.

3. PROSPECTUS SUMMARY (*Cont'd*)

Further details on our competitive advantages and key strengths are set out in Section 6.1.3 of this Prospectus.

3.4 BUSINESS STRATEGIES AND PLANS

Our Group's business strategies and plans are summarised below:

(i) Expansion of operational facilities

As a packaging products provider, proximity to customer is crucial to provide a steady and reliable supply of packaging products to customers. In addition, packaging products are bulky items and by setting up a warehouse and being close to customers, we would be able to provide JIT solution where we deliver packaging products to customers when required thus minimising transportation costs for our customers. As at the LPD, we have 3 operational facilities in Peninsular Malaysia namely our Klang Factories and Puchong Facility in Selangor, and Nilai Factory in Negeri Sembilan with a total built-up area of approximately 100,973 sq. ft. We also have an annual production capacity of 26.09 million pieces of carton blanks for flexographic printing machines and 8.70 million pieces of die-cutting sheets for automatic die-cut machine as at the LPD.

We plan to expand our business operations to Penang to target new customers located in the northern region of Peninsular Malaysia. We plan to rent a warehouse cum office with the approximate size of 25,000 sq. ft. in Batu Kawan, Penang by 1st half of 2023.

At the initial stage of our expansion to Penang, we plan to transport the paper packaging products from our manufacturing operations in Klang to the Batu Kawan Warehouse for fulfilment of new customers' orders. We also intend to secure the services of subcontractors operating in Penang to supplement our packaging products and help to fulfil our customers' orders, similar to the existing arrangement disclosed in Section 6.3.11.1(iv) of this Prospectus. Subsequently, once we gain traction, and secure continuous and sufficient quantity of orders from prospective customers, we plan to set up a manufacturing operation in Penang within the next two years.

To cater for our expansion in business operations, we also plan to establish a new head office and factory in Klang, Selangor. We intend to acquire a detached factory with 2-storey office building with an estimated built-up area of 100,000 sq. ft. by the 1st half of 2024.

Upon completion, the new facility will serve as our Group's corporate head office to house our management and administrative employees in a main location to increase operational efficiency as well as to accommodate more employees as part of the expansion of our business. It will also provide our employees with a conducive work environment to enhance productivity and performance, and minimise employee turnover. Furthermore, with a corporate head office, we are able to enhance the visibility of our brand and elevate our corporate image amongst our customers, suppliers, employees and other stakeholders.

This new facility will also serve as our Group's main production facility with a larger production floor space. We plan to set-up and equip the Klang Factory 2 with new machinery and equipment. Subsequently, we may take up to 1 year to gradually relocate some of the machinery and equipment from our existing Klang Factories to the new location to minimise interruption to our existing operations. The plan to consolidate is also dependent on our future orders from customers.

(ii) Purchase of new machinery and equipment

(a) Automated and robotic packing machines

As part of our future plan to fully automate our production of corrugated cartons, we plan to purchase and install automated and robotic packing machines for our existing production lines in Klang Factories and Nilai Factory by 2nd half of 2023 as well as for our proposed Klang Factory 2 by 2nd half of 2024. Currently, we are equipped with 3 units of flexographic printing machines and 1 unit of automatic folding, stitching and gluing machine. Our plan is to invest in conveyor systems, robotic arms as well as additional automatic folding, stitching and gluing machine combined with bundling and wrapping machine.

3. PROSPECTUS SUMMARY (Cont'd)

(b) Honeycomb board machines

We plan to introduce a new type of paper pallet using honeycomb board. Currently, our paper pallets are produced using corrugated board where our workers would cut and slit them into size and then laminate them to form the desired thickness for the pallet's deck and runner / leg. Moving forward, to scale up the production of paper pallets, we plan to invest in honeycomb board machines to produce honeycomb boards in various thickness which will serve as the pallet's deck and runner / leg. We also intend to utilise the honeycomb board to produce some protective packaging products such as edge boards and layer pads and to explore selling the honeycomb boards and core to potential customers.

(c) 6-colour flexographic printing machine

We also plan to introduce 6-colour printing on our corrugated cartons. As at the LPD, all our flexographic printing machines is equipped with 3 printing units in each machine which is capable of printing up to 3 colours at one time. Our planned 6-colour flexographic printing machine will have 6 printing units which will allow for printing up to 6 colours at one time. With a wider colour palette, we would be able to print more vibrant and close to true colour of images on the corrugated cartons.

(iii) Establish packaging design and innovation centre

We intend to set up a dedicated area within our Klang Factories as a packaging design and innovation centre. We also plan to expand our testing and prototyping facilities by investing in a number of testing equipment to facilitate our front-end value-added services. The new packaging design and innovation centre will enable our customers and their vendors for parts and components such as precision metal parts, E&E parts and plastic parts manufacturers, to work together with our team to develop ideas to solve their packaging issues or to provide innovative solutions.

(iv) New target markets

Currently, we mainly serve customers in the consumer durable electronic goods sub-sector of the E&E industry where our packaging products are used for air-conditioners, televisions, microwave ovens, as well as their respective parts and components. Moving forward, we plan to expand our target markets to serve customers within the E&E industry focusing on the solar photovoltaic ("PV") and medical devices industry.

Further details of our Group's business strategies and plans are set out in Section 6.15 of this Prospectus.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance, such as the following:

- (i) We are dependent on a concentrated group of major customers namely SSCSM, Samsung Electronics, SOEM, PAACM and PAVC, which collectively accounted for 91.33%, 91.85%, 78.97% and 73.32% of our total revenue for the FYEs 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively. The loss of any of these major customers, if not replaced in a timely manner, would adversely affect our financial performance. As we operate based on purchase orders which are typically issued by our customers at their discretion, there can be no assurance that revenue contribution from these major customers will be sustained at the same level in the future. Any significant reduction in the orders from these major customers would also materially and adversely affect our financial performance.

3. PROSPECTUS SUMMARY (Cont'd)

- (ii) We are susceptible to shortage in the supply of input materials. Our main input material namely corrugated board are sourced from local suppliers in accordance with our production schedule. As we do not enter into any long-term supply agreements with our suppliers for continuous supply of input materials, there can be no assurance that we will be able to consistently source corrugated boards at competitive pricing and at the quantity required.
- (iii) We are susceptible to the price fluctuations of paper products. Corrugated board is our main input material used in the production of our corrugated paper packaging products, including cartons, protective packaging products and paper pallets. As wood pulp is one of the raw materials required to produce all types of paper products including corrugated boards, fluctuations in the prices of wood pulp would have an impact on the overall cost of corrugated board. There is no assurance that we can pass on any future increases in the cost resulting from changes in the price of corrugated board to our customers. In the event we are unable to pass on any of the cost increases to our customers or if we are unable to do so in a timely manner, we would have to absorb the increases in the cost of input materials and this would adversely affect our profitability and financial performance.
- (iv) We rely on the availability of foreign workers for general works in our factories. Our Group is having difficulties to hire local workers for general works in our factories such as preparing printing plates, cutting corrugated boards, and assisting in the printing machines and other post-press machines, carrying out basic quality control and performing stock counts in our factories. Any change in foreign worker policy in Malaysia may result in difficulties for our Group to maintain a sufficient workforce for our manufacturing activities.
- (v) Our Group is dependent on independent contractors for our assembly and packing services. These independent contractors assemble the die-cut cartons, insert the customer's products into plastic or foam bags and place them into the cartons along with other protective packaging products, such as nestings and layer pads. There is no assurance that we will be able to recruit an adequate number of independent contractors for our operations. If we are unable to hire sufficient independent contractors, it would result in disruption to our operations which in turn will affect our financial performance.
- (vi) We are exposed to unexpected disruptions in our business operations caused by factors such as machinery and equipment failures, accidents and natural disasters. Any interruption to our manufacturing activities may have an adverse impact to our business operations and consequently on our financial performance.
- (vii) We are dependent on the efforts, commitment and abilities of our Managing Director, Executive Directors and Key Senior Management who play significant roles in the continuing success of our Group from formulation and implementation of our strategies and plans, to the day-to-day operations of our business. We have implemented a succession plan to identify and develop individuals to assume key roles in our Group in the event they are vacated.
- (viii) Our business was and will continue to be susceptible to the outbreak of the COVID-19 pandemic and any further lockdowns would adversely affect our financial performance. Measures such as lockdowns or movement restrictions to contain the COVID-19 pandemic have impacted the retail business, including those relating to Consumer E&E. A reduction in retail activities for Consumer E&E will affect the demand for our products and services and adversely affect our financial performance.
- (ix) We are subject to regulatory requirements for our business operations. Our major approvals, licences and permits are subject to compliance with relevant conditions (if any), laws and regulations under which they were issued. In the event of non-compliance, these licences, permits and approvals may be revoked or may not be renewed upon expiry.

Please refer to Section 8 of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality / Country of incorporation	Before our IPO / As at the LPD				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	^(a) %	No. of Shares	^(a) %	No. of Shares	^(b) %	No. of Shares	^(b) %
<u>Promoters and substantial shareholders</u>									
Lucille Teoh Soo Lien	Malaysian	178,758,000	45.97	-	-	24,860,000	5.18	^(c) 292,800,000	61.00
Beh Seng Lee	Malaysian	178,758,000	45.97	-	-	1,436,000	0.30	^(c) 292,800,000	61.00
<u>Promoter</u>									
Beh Le Hao	Malaysian	-	-	-	-	^(d) 1,000,000	0.21	-	-
<u>Substantial shareholder</u>									
DS Kaizen	Malaysia	-	-	-	-	^(e) 292,800,000	61.00	-	-

Notes:

- (a) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (b) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (c) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.
- (d) Assuming Beh Le Hao will fully subscribe for his allocation under the Pink Form Allocation.
- (e) Transfer of Shares by Lucille Teoh Soo Lien and Beh Seng Lee to DS Kaizen pursuant the Share Transfer.

Further details on our Promoters and substantial shareholders are disclosed in Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

Our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Mohamad Ismail Bin Abu Bakar	Independent Non-Executive Chairman
Lucille Teoh Soo Lien	Managing Director
Beh Seng Lee	Executive Director
Beh Le Hao	Executive Director
Lee Yew Weng	Independent Non-Executive Director
Loo Hee Guan	Independent Non-Executive Director
Maznida Binti Mokhtar	Independent Non-Executive Director
Key Senior Management	
Lai Jian Hong	Chief Financial Officer
Loi Guak Lian	Factory Director
Beh Koon Chiew	Sales Manager
Ramesh A/L Muniundy (Muniandy)	Operations Manager

Further details on our Directors and Key Senior Management are disclosed in Section 5 of this Prospectus.

3.8 USE OF PROCEEDS

The total gross proceeds from our Public Issue amounting to RM50.15 million are intended to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from the Listing Date)
Expansion of operational facilities			
- Expansion of operations to Penang	1,200	2.39	Within 24 months
- Establishment of Klang Factory 2	16,000	31.91	Within 24 months
Purchase of new machinery and equipment			
- Automated and robotic packing machines	7,100	14.16	Within 24 months
- Honeycomb board machines	3,200	6.38	Within 24 months
- 6-colour flexographic printing machine	5,700	11.37	Within 24 months
Establish packaging design and innovation centre	1,140	2.27	Within 24 months
Repayment of bank borrowings	6,000	11.96	Within 12 months
Working capital	5,409	10.79	Within 12 months
Estimated listing expenses	4,400	8.77	Within 3 months
Total	50,149	100.00	

There is no minimum subscription level in terms of proceeds to be raised from our Public Issue.

The gross proceeds from the Offer for Sale of approximately RM21.13 million shall accrue entirely to the Selling Shareholders.

Further details on the use of proceeds are set out in Section 4.4 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.9 FINANCIAL HIGHLIGHTS

The following table sets out the key financial highlights based on our historical audited combined financial statements for the Financial Years Under Review:

	Audited FYE 30 June			
	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue	105,682	85,891	127,858	121,218
Cost of sales	(73,285)	(61,648)	(85,508)	(78,213)
GP	32,397	24,243	42,350	43,005
PBT	19,603	12,885	27,640	28,847
PAT	14,931	9,922	21,116	21,471
GP margin (%) ^(a)	30.66	28.23	33.12	35.48
PBT margin (%) ^(b)	18.55	15.00	21.62	23.80
PAT margin (%) ^(c)	14.13	11.55	16.52	17.71

Notes:

- (a) GP margin is calculated based on GP divided by revenue.
- (b) PBT margin is calculated based on PBT divided by revenue.
- (c) PAT margin is calculated based on PAT divided by revenue.

Please refer to Section 11 of this Prospectus for further discussion on our historical audited combined financial information.

3.10 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Company does not have any formal dividend policy. During the Financial Years Under Review, we have declared and paid dividends of RM11.50 million, RM7.10 million, RM17.00 million for the FYE 30 June 2019, FYE 30 June 2020 FYE 30 June 2021, respectively. Our Group did not declare any dividend for the FYE 30 June 2022 and does not intend to declare and pay dividend prior to the Listing.

We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

Further details on our dividend policy are set out in Section 11.4 of this Prospectus.

3.11 IMPACT OF COVID-19 PANDEMIC

Impact of the COVID-19 pandemic on our business and financial performance are as follows:

Events	Impact on our Group
2020	
MCO 1.0	<ul style="list-style-type: none"> • During the MCO 1.0 period, our business operations were temporarily suspended for 28 working days from 18 March 2020 to 18 April 2020. • We resumed our operations on 20 April 2020 with 40% workforce capacity. As a precautionary measure, we only allowed our employees in the production and QA department to enter our operating premise during this period.
CMCO	We continued our business operations with 60% workforce capacity according to specified guidelines and SOP. As a precautionary measure, we only allowed our employees in the production and QA department to enter our operating premise during this period.
RMCO	

3. PROSPECTUS SUMMARY (*Cont'd*)

Events	Impact on our Group
2021	
MCO 2.0	Our business operations were not affected as we were allowed to operate during these periods. We continued to operate according to specified guidelines and SOP. We continued to only allow our employees from production and QA department to enter our operating premise during this period.
MCO 3.0	
NRP Phase 1	As our business falls within essential services, we continued to operate during these periods however with a 60% workforce capacity.
EMCO in Selangor	<ul style="list-style-type: none"> We closed our operations in Klang and Puchong from 3 July 2021 to 7 July 2021. On 8 July 2021, we commenced our operations in Klang and Puchong and conducted swab tests on employees before allowing them to return to work. We operated at 60% workforce capacity and only allowed our employees from production and QA department to enter our premises during this period. Although the compulsory swab testing was lifted on 16 July 2021, we continued to conduct swab tests on our employees that enter our premises every 2 weeks as a safety measure.
Capacity based on vaccination rate	<ul style="list-style-type: none"> We received approvals from MITI to operate at 100% workforce capacity for DS Manufacturing and DS Packaging on 20 August 2021 and Kaisung on 30 August 2021 respectively, based on the 80% rate of fully vaccinated employees. We continued to implement swab test on our workers through self-testing every 2 weeks.
NRP Phase 2	There were no changes to our business operations during these periods. As a safety precaution and to ensure no interruptions to our business operations, we continued to only allow operational employees from our production and QA department and minimal administrative employees to enter our premises. All other departments (indirect workforce) are under the work from home arrangement until 6 January 2022. Since 6 January 2022 and up to 31 March 2022, all employees have resumed work in our operating facilities, save for 5 working days from 10 February 2022 to 16 February 2022 where our administrative employees at our Puchong Facility were working from home due to the increase in COVID-19 cases at our Puchong Facility.
NRP Phase 3	
NRP Phase 4	
2022	
'Transition to Endemic' Phase	On 1 April 2022, Malaysia entered the 'Transition to Endemic' phase and we continued to operate at full workforce capacity while adhering to the Government SOP and guidelines.

Our Group's revenue declined by 25.94% in the fourth quarter of FYE 30 June 2020 (i.e. April 2020 to June 2020) compared to the previous quarter due to the closure of our business operations from 18 March 2020 to 18 April 2020. Our revenue declined from RM8.65 million in February 2020 to RM5.33 million in March 2020 and RM0.73 million in April 2020. Upon resumption of our business operations on 20 April 2020, we received increased orders from our customers which resulted in an increase in revenue. This was reflected in the improvement in our Group's revenue in the first quarter of FYE 30 June 2021 (i.e. July 2020 to September 2020) by 116.15% compared to the previous quarter.

Our Group's revenue declined by 12.31% in the first quarter of FYE 30 June 2022 (i.e. July 2021 to September 2021) compared to the previous quarter due to lower orders from some of our major customers as these customers faced interruptions in business operations during NRP Phase 1 in July 2021 and August 2021. The decline in revenue by 2.88% in the second quarter of FYE 30 June 2022 was mainly due to the seasonality of our sales orders from our major customers where sales orders at the end of the year in November and December would typically be lower as year-end and festive season sales are over. Our business operations were not materially interrupted in 2022.

Further details of the impact of COVID-19 pandemic on our business operations are set out in Section 6.3.18 of this Prospectus.

4. PARTICULARS OF OUR IPO

4.1 DETAILS OF OUR IPO

4.1.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged issued share capital on the ACE Market involves the Acquisitions, IPO and Listing.

(a) Acquisitions

On 7 February 2022, our Company entered into 2 share sale and purchase agreements with DS Manufacturing Vendors, DS Packaging Vendors and Kaisung Vendors to acquire the entire equity interests of DS Manufacturing, DS Packaging and Kaisung for an aggregate purchase consideration of RM29,161,498.50 to be satisfied via the issuance of 388,819,980 new Shares at RM0.075 per Share.

(i) Acquisition of DS Manufacturing

The Acquisition of DS Manufacturing entails the acquisition by our Company of the entire issued share capital of DS Manufacturing from DS Manufacturing Vendors for a purchase consideration of RM4,695,600. The said purchase consideration was entirely satisfied by the issuance of 62,608,000 new Shares in aggregate to DS Manufacturing Vendors at an issue price of RM0.075 per Share, as follows:

DS Manufacturing Vendors	No. of DS Manufacturing Shares acquired	Shareholdings held in DS Manufacturing (%)	Purchase consideration (RM)	No. of Shares issued
Beh Seng Lee	600,000	25.00	1,173,900	15,652,000
Loi Guak Lian	600,000	25.00	1,173,900	15,652,000
Lucille Teoh Soo Lien	600,000	25.00	1,173,900	15,652,000
Yong Chong Long	600,000	25.00	1,173,900	15,652,000
Total	2,400,000	100.00	4,695,600	62,608,000

The purchase consideration of RM4,695,600 was arrived at on a willing buyer-willing seller basis and after taking into consideration the unaudited NA of DS Manufacturing as at 30 June 2021 of RM4,695,671. The purchase consideration of DS Manufacturing was based on its unaudited NA as at 30 June 2021 as the financial year end of DS Manufacturing is 31 December and its latest audited financial statements was FYE 31 December 2020. Nonetheless, it should be noted that the Accountants' Report as set out in Section 12 of this Prospectus has been prepared based on the audited figures of DS Manufacturing as at 30 June 2021. The Acquisition of DS Manufacturing was completed on 29 August 2022 and DS Manufacturing became a wholly-owned subsidiary of our Company.

(ii) Acquisition of DS Packaging

The Acquisition of DS Packaging entails the acquisition by our Company of the entire issue share capital of DS Packaging from DS Packaging Vendors for a purchase consideration of RM21,297,096. The said purchase consideration was entirely satisfied by the issuance of 283,961,280 new Shares in aggregate to DS Packaging Vendors at an issue price of RM0.075 per Share, as follows:

4. PARTICULARS OF OUR IPO (Cont'd)

DS Packaging Vendors	No. of DS Packaging Shares acquired	Shareholdings held in DS Packaging (%)	Purchase consideration (RM)	No. of Shares issued
Beh Seng Lee	500,000	50.00	10,648,548	141,980,640
Lucille Teoh Soo Lien	500,000	50.00	10,648,548	141,980,640
Total	1,000,000	100.00	21,297,096	283,961,280

The purchase consideration of RM21,297,096 was arrived at on a willing buyer-willing seller basis and after taking into consideration the audited NA of DS Packaging as at 30 June 2021 of RM21,297,137. The Acquisition of DS Packaging was completed on 29 August 2022 and DS Packaging became a wholly-owned subsidiary of our Company.

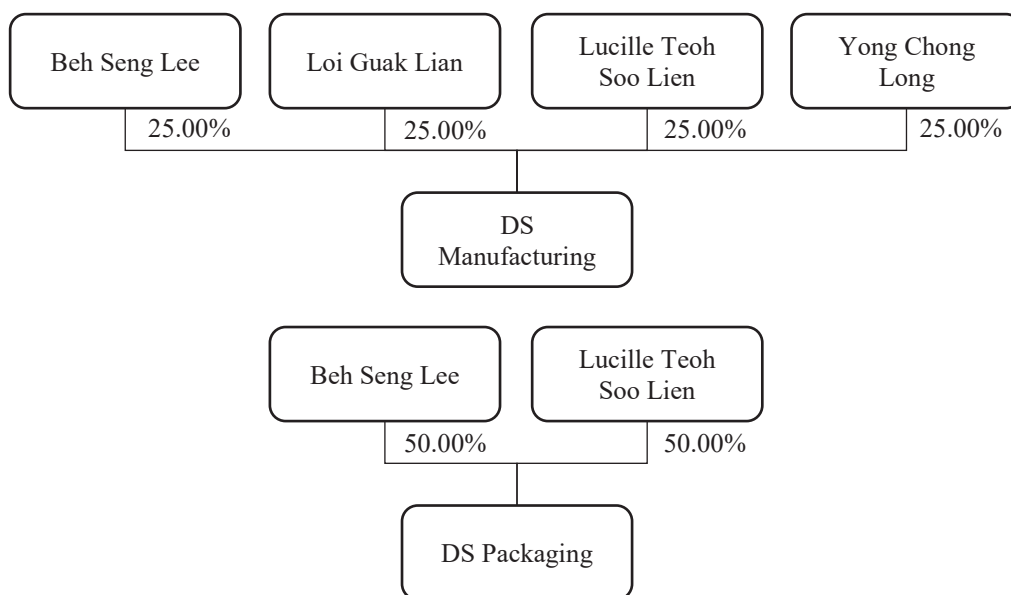
(iii) Acquisition of Kaisung

The Acquisition of Kaisung entails the acquisition by our Company of the entire equity interest of Kaisung from Kaisung Vendors for a total purchase consideration of RM3,168,802.50. The said purchase consideration was entirely satisfied by the issuance of 42,250,700 new Shares in aggregate to Kaisung Vendors at an issue price of RM0.075 per Share, as follows:

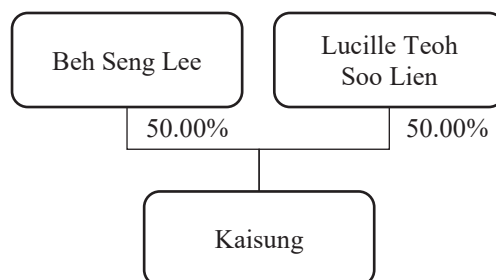
Kaisung Vendors	No. of Kaisung Shares acquired	Shareholdings held in Kaisung (%)	Purchase consideration (RM)	No. of Shares issued
Beh Seng Lee	250,000	50.00	1,584,401.25	21,125,350
Lucille Teoh Soo Lien	250,000	50.00	1,584,401.25	21,125,350
Total	500,000	100.00	3,168,802.50	42,250,700

The purchase consideration of RM3,168,802.50 was arrived at on a willing buyer-willing seller basis and after taking into consideration the audited NA of Kaisung as at 30 June 2021 of RM3,168,880. The Acquisition of Kaisung was completed on 29 August 2022 and Kaisung became a wholly-owned subsidiary of our Company.

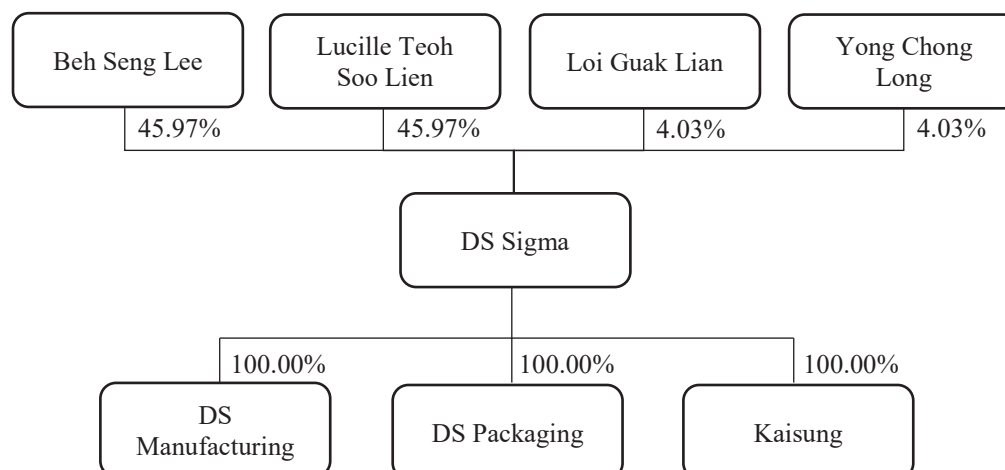
Our Group structure before and after the Acquisitions is illustrated below:

Before the Acquisitions

4. PARTICULARS OF OUR IPO (*Cont'd*)



After the Acquisitions



(b) Public Issue

The Public Issue of 91,180,000 new Shares, representing 19.00% of our enlarged issued share capital, will be allocated in the following manner:

(i) Malaysian Public

24,000,000 new Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which 50.00% is to be set aside for the Bumiputera Public.

Any Issue Shares under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- Firstly, by the Eligible Persons under the Pink Form Allocation as described in Section 4.1.1(b)(ii) of this Prospectus;
- Secondly, by our selected investors as described in Section 4.1.1(b)(iii) of this Prospectus; and
- Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

4. PARTICULARS OF OUR IPO (Cont'd)

(ii) Eligible Persons

9,800,000 new Shares, representing 2.04% of our enlarged issued share capital, will be made available for application by our eligible Directors and employees as well as any other persons who have contributed to our success in the following manner:

Eligibility	No. of persons	Aggregate no. of Issue Shares allocated
Directors ^(a)	5	2,200,000
Employees of our Group ^(b)	116	3,800,000
Persons who have contributed to our success ^(c)	31	3,800,000
Total	152	9,800,000

Notes:

- (a) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group. The number of Issue Shares to be allocated to our Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Mohamad Ismail Bin Abu Bakar	Independent Non-Executive Chairman	300,000
Beh Le Hao	Executive Director	1,000,000
Lee Yew Weng	Independent Non-Executive Director	300,000
Loo Hee Guan	Independent Non-Executive Director	300,000
Maznida Binti Mokhtar	Independent Non-Executive Director	300,000
Total		2,200,000

- (b) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:

- the employee must be a full-time employee of at least 18 years of age and on the payroll of our Group;
- the employee is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- the number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance / contribution as well as other factors deemed relevant by our Board.

4. PARTICULARS OF OUR IPO (Cont'd)

The number of Issue Shares to be allocated to our Key Senior Management are as follows:

Name	Designation	No. of Issue Shares allocated
Lai Jian Hong	Chief Financial Officer	200,000
Loi Guak Lian	Factory Director	500,000
Beh Koon Chiew ^(a)	Sales Manager	1,500,000
Ramesh A/L Muniundy (Muniandy)	Operations Manager	200,000
Total		2,400,000

Note:

- (a) Beh Koon Chiew's number of Pink Form Allocation was based on his length of service (being one of the pioneer employees of our Group), seniority, past performance and level of contribution to our Group.
- (c) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business associates, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows:

- Firstly, by the Eligible Persons;
- Secondly, by the Malaysian Public and our selected investors as described in Sections 4.1.1(b)(i) and 4.1.1(b)(iii) of this Prospectus, respectively; and
- Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save for the allocation under the Pink Form Allocation as disclosed in Section 4.1.1(b)(ii) of this Prospectus, to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or Key Senior Management of our Company who have indicated to us that they intend to subscribe for the Issue Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the Issue Shares.
- (iii) Private placement to selected investors**

35,800,000 new Shares, representing 7.46% of our enlarged issued share capital, will be made available by way of private placement to selected investors.

The Issue Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares have been / will be obtained from the respective selected investors.

4. PARTICULARS OF OUR IPO (Cont'd)

(iv) Private placement to selected Bumiputera Investors approved by MITI

21,580,000 new Shares, representing 4.50% of our enlarged issued share capital, will be allocated by way of private placement to selected Bumiputera Investors approved by MITI (“**MITI Tranche**”).

Any Issue Shares allocated to but unsubscribed by the selected Bumiputera Investors approved by MITI will be made available for application by Bumiputera Public investors as part of the balloting process under Section 4.1.1(b)(i) of this Prospectus in a fair and equitable manner. Subsequently, any such Issue Shares unsubscribed by Bumiputera Public investors will be made available for application by the Malaysian Public as part of the balloting process in a fair and equitable manner, by the Eligible Persons under Section 4.1.1(b)(ii) of this Prospectus and/or by way of placement to selected investors under Section 4.1.1(b)(iii) of this Prospectus.

The Issue Shares under the MITI Tranche will not be underwritten by the Sole Underwriter.

The basis of allocation of our Issue Shares shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants with a view to broadening the shareholding base of our Company to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Applicants will be selected on a fair and equitable manner.

There is no over-allotment or “greenshoe” option that will result in an increase in the amount of Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

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4. PARTICULARS OF OUR IPO (Cont'd)

(c) Offer for Sale

The Selling Shareholders will undertake an offer for sale of 38,420,000 Offer Shares, representing 8.00% of our enlarged issued share capital at the IPO Price, by way of private placement to selected Bumiputera Investors approved by MITI.

The details of the Selling Shareholders and their relationship with our Group are as follows:

Name / Address	Nature of relationship	Before our IPO / As at the LPD				Offer for Sale				After our IPO and Share Transfer			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	(a)%	No. of Shares	(a)%	No. of Shares	(b)%	No. of Shares	(b)%	No. of Shares	(b)%	No. of Shares	(b)%
Lucille Teoh Soo Lien No. 168-23-6, Fettes Residence Jalan Tanjung Tokong 10470 Pulau Pinang	Promoter, substantial shareholder and Managing Director	178,758,000	45.97	-	-	19,210,000	4.00	-	-	24,860,000	5.18	^(c) 292,800,000	61.00
Beh Seng Lee A 33A-08 The Park Sky Residence Persiaran Jalil Utama Bukit Jalil 57000 Kuala Lumpur	Promoter, substantial shareholder and Executive Director	178,758,000	45.97	-	-	19,210,000	4.00	-	-	1,436,000	0.30	^(c) 292,800,000	61.00

Notes:

- (a) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (b) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (c) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.

Any Offer Shares allocated to but unsubscribed by the selected Bumiputera Investors approved by MITI will be made available for application by Bumiputera Public investors as part of the balloting process under Section 4.1.1(b)(i) of this Prospectus in a fair and equitable manner. Subsequently, any such Offer Shares unsubscribed by Bumiputera Public Investors will be made available for application by the Malaysian Public as part of the balloting process in a fair and equitable manner, by the Eligible persons under Section 4.1.1(b)(ii) of this Prospectus and / or by way of placement to selected investors under Section 4.1.1(b)(iii) of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

(d) Share Transfer

Upon completion of the IPO, Beh Seng Lee and Lucille Teoh Soo Lien, being the Selling Shareholders, will hold an aggregate of 319,096,000 Shares.

During the prescription period (1 day after the launching date of the Prospectus up to a period of 30 days), our Selling Shareholders will transfer a total of 292,800,000 Shares to DS Kaizen (an investment holding company incorporated with the intention to hold their investment) at a consideration of RM21,960,000 based on issue price of RM0.075 per Share (the issue price per Share is consistent with the issue price for the Acquisitions), to be satisfied partly by the issuance of 900 new DS Kaizen Shares to be issued at RM1.00 each. The remaining amount of RM21,959,100 will remain as an amount owing from DS Kaizen to the Selling Shareholders.

The Share Transfer is part of the restructuring exercise undertaken by Lucille Teoh Soo Lien and Beh Seng Lee to have majority of their Shares held under one investment holding company, namely DS Kaizen. The Share Transfer will be completed upon relevant Shares being credited into the CDS account of DS Kaizen prior to our Listing.

Further details of the Share Transfer are set out below:

Shareholders	Before the Share Transfer		After the Share Transfer	
	No. of Shares held after our IPO	No. of Shares to be transferred	No. of Shares held after the Share Transfer	% of the enlarged issued share capital ^(a)
Lucille Teoh Soo Lien	159,548,000	134,688,000	24,860,000	5.18
Beh Seng Lee	159,548,000	158,112,000	1,436,000	0.30
Total	319,096,000	292,800,000	26,296,000	5.48

Note:

(a) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.

The existing shareholders' shareholdings in DS Kaizen and their indirect interest in DS Sigma before and after the Share Transfer will be as follow:

Shareholders	Before the Share Transfer			
	Direct interest in DS Kaizen		Direct interest in DS Sigma	
	No. of DS Kaizen Shares	^(a) %	No. of Shares	^(b) %
Lucille Teoh Soo Lien	46	46.00	159,548,000	33.24
Beh Seng Lee	54	54.00	159,548,000	33.24
Total	100	100.00	319,096,000	66.48

Shareholders	After the Share Transfer					
	Direct interest in DS Kaizen		Direct interest in DS Sigma		Indirect interest in DS Sigma	
	No. of DS Kaizen Shares	^(c) %	No. of Shares	^(b) %	No. of Shares	^(b) %
Lucille Teoh Soo Lien	460	46.00	24,860,000	5.18	^(d) 292,800,000	61.00
Beh Seng Lee	540	54.00	1,436,000	0.30	^(d) 292,800,000	61.00

4. PARTICULARS OF OUR IPO (Cont'd)

Notes:

- (a) Based on DS Kaizen's issued share capital of 100 DS Kaizen Shares.
- (b) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (c) Based on DS Kaizen's enlarged issued share capital of 1,000 DS Kaizen Shares after the Share Transfer.
- (d) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.

Please refer to Section 5.1.2 of this Prospectus for further details on DS Kaizen.

(e) Listing

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM79,310,500.50 comprising 480,000,000 Shares will be listed on the ACE Market.

4.1.2 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to the ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.00% of our enlarged issued share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

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4. PARTICULARS OF OUR IPO (Cont'd)

4.1.3 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	Share capital (RM)
Issued share capital as at the date of this Prospectus	388,820,000	29,161,500.50
New Shares to be issued pursuant to the Public Issue	91,180,000	50,149,000.00
Enlarged issued share capital upon Listing	480,000,000	79,310,500.50
IPO Price		RM0.55
- Pro forma combined NA per Share (based on our enlarged issued share capital after the IPO)		RM0.20
- Market capitalisation upon Listing (based on the IPO Price and our enlarged issued share capital after the IPO)		RM264,000,000

We have only 1 class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared after the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

Subject to special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the shareholders in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, or by proxy, or by their representative under the instrument of proxy or certificate of appointment of corporate or power of attorney ("**Representative**"). On a vote by a show of hands, each shareholder present (either in person, or by proxy, or by Representative) shall have 1 vote. On a vote by way of poll, each shareholder present (either in person, or by proxy, or by Representative) shall have 1 vote for each Share held. A proxy may but need not be a shareholder of our Company.

4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and PIVB, as the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, had determined and agreed upon the IPO Price after taking into consideration the following factors:

(i) Financial and operating history

Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 30 June 2022, we recorded a PAT attributable to equity holders of the Group of RM21.01 million, representing an EPS of 4.38 sen based on the enlarged issued share capital of 480,000,000 Shares upon Listing. The EPS translates into PE Multiple of 12.56 times based on the IPO Price. Our detailed operating and financial history are set out in Sections 6 and 11 of this Prospectus, respectively.

4. PARTICULARS OF OUR IPO (Cont'd)

(ii) Business strategies and plans

Our business strategies and plans, which are as set out in Section 6.15 of this Prospectus.

(iii) Competitive advantages and key strengths, and industry overview

Our competitive advantages and key strengths, and the industry overview, which are as set out in Sections 6.1.3 and 7 of this Prospectus, respectively.

(iv) Pro forma combined NA

Our pro forma combined NA per Share as at 30 June 2022 of RM0.20 based on our enlarged issued share capital of 480,000,000 Shares in our Company upon Listing and after use of proceeds raised from our Public Issue.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4.3 DILUTION

Dilution is the amount by which the IPO Price to be paid by investors for our IPO Shares exceeds our pro forma consolidated NA per Share after our IPO and it is illustrated as follows:

	RM
IPO Price	0.55
Pro forma combined NA per Share as at 30 June 2022 after the Acquisitions but before Public Issue	0.13
Pro forma combined NA per Share after the Acquisitions, Public Issue and use of proceeds	0.20
Increase in pro forma combined NA per Share attributable to existing shareholders	0.07
Dilution to our new investors	0.35
Dilution to our new investors as a percentage of the IPO Price	63.64%

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4. PARTICULARS OF OUR IPO (Cont'd)

The following table shows the total number of Shares and the average effective cash cost per Share paid by our Directors, Promoters, substantial shareholders, Key Senior Management and / or persons connected to them since our incorporation up to the date of this Prospectus or which they have a right to acquire:

	No. of Shares held before IPO	No. of Shares held from IPO	Total consideration (RM)	Effective cash cost per Share (RM)
<u>Promoters, substantial shareholders and Directors</u>				
Lucille Teoh Soo Lien	^{(a)(b)} 178,758,000	-	13,406,850.25	0.075
Beh Seng Lee	^(a) 178,758,000	-	13,406,850.25	0.075
<u>Promoter and Director</u>				
Beh Le Hao	-	^(c) 1,000,000	550,000.00	0.550
<u>Directors</u>				
Mohamad Ismail Bin Abu Bakar	-	^(c) 300,000	165,000.00	0.550
Lee Yew Weng	-	^(c) 300,000	165,000.00	0.550
Loo Hee Guan	-	^(c) 300,000	165,000.00	0.550
Maznida Binti Mokhtar	-	^(c) 300,000	165,000.00	0.550
<u>Substantial shareholder</u>				
DS Kaizen	-	^(d) 292,800,000	21,960,000.00	0.075
<u>Other existing shareholder</u>				
Yong Chong Long	^(a) 15,652,000	^(c) 1,000,000	1,723,900.00	0.104
<u>Key Senior Management</u>				
Lai Jian Hong	-	^(c) 200,000	110,000.00	0.550
Loi Guak Lian	^(a) 15,652,000	^(c) 500,000	1,448,900.00	0.090
Beh Koon Chiew	-	^(c) 1,500,000	825,000.00	0.550
Ramesh A/L Muniundy (Muniandy)	-	^(c) 200,000	110,000.00	0.550

Notes:

- (a) Issued pursuant to the Acquisitions.
- (b) Including 10 Shares, being subscribers' shares held by Lindy Loh Swee Lee which were transferred to Lucille Teoh Soo Lien after the Acquisitions.
- (c) Assuming our Directors, Key Senior Management and persons who have contributed to the success of our Group will fully subscribe their respective allocation under the Pink Form Allocation.
- (d) Pursuant to the Share Transfer.

Save as disclosed above, there has been no acquisition of any of our Shares by our Directors, Promoters, substantial shareholders, Key Senior Management and / or persons connected to them since our incorporation up to the date of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4 USE OF PROCEEDS

The total gross proceeds from our Public Issue amounting to RM50.15 million are intended to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from the Listing date)
Expansion of operational facilities			
- Expansion of operations to Penang	1,200	2.39	Within 24 months
- Establishment of Klang Factory 2	16,000	31.91	Within 24 months
Purchase of new machinery and equipment			
- Automated and robotic packing machines	7,100	14.16	Within 24 months
- Honeycomb board machines	3,200	6.38	Within 24 months
- 6-colour flexographic printing machine	5,700	11.37	Within 24 months
Establish packaging design and innovation centre	1,140	2.27	Within 24 months
Repayment of bank borrowings	6,000	11.96	Within 12 months
Working capital	5,409	10.79	Within 12 months
Estimated listing expenses	4,400	8.77	Within 3 months
Total	50,149	100.00	

There is no minimum subscription level in terms of proceeds to be raised from our Public Issue.

4.4.1 Expansion of operational facilities

Part of our Group's business strategies and plans is to expand our business operations to Penang and to establish a new head office and factory in Klang, Selangor.

(a) Expansion of operations to Penang

As a packaging products provider, proximity to customer is crucial to provide a steady and reliable supply of packaging products to customers. In addition, packaging products are bulky items and by setting up a warehouse and being close to customers, we would be able to provide JIT solution where we deliver packaging products to customers when required thus minimising transportation costs for our customers. As such, we plan to expand our business operations to Penang to target new customers located in the northern region of Peninsular Malaysia.

We plan to rent a warehouse cum office with the approximate size of 25,000 sq. ft. in Batu Kawan, Penang. We have identified several premises for our operations in Penang and intend to commence the rental of the warehouse cum office by 1st half of 2023. The following sets out the estimated cost to set up the Batu Kawan Warehouse:

	Estimated cost RM'000
Rental of 25,000 sq. ft. warehouse for a period of 12 to 18 months	800
Office renovation and fittings, and installation of racking system	270
Purchase of 2 units of forklifts and 3 units of testing equipment ^(a)	130
Total	1,200

4. PARTICULARS OF OUR IPO (Cont'd)

Note:

- (a) Testing equipment include box compression tester, automatic burst strength and grammage testing machine.

We intend to allocate RM1.20 million of the proceeds from our Public Issue to fund the establishment of Batu Kawan Warehouse. If the actual cost of the expansion of operations to Penang is higher than the amount budgeted, the deficit will be funded by internally generated funds. While we may incur additional costs in terms of warehouse rental and holding costs of finished products in Penang at the initial stage, this will only be for the short to medium term. Our Group intends to set up a manufacturing operation in Penang once we gain traction and secure continuous and sufficient quantity of orders from prospective customers. We are currently in the midst of setting up the team for our business operations in Penang and have yet to secure any customers.

Kindly refer to Section 6.15.1.1 of this Prospectus for further details.

(b) Establishment of Klang Factory 2

We intend to allocate RM16.00 million, representing approximately 31.91% of the gross proceeds from the Public Issue to acquire a detached factory with 2-storey office building with an estimated built-up area of 100,000 sq. ft. by the 1st half of 2024.

The following sets out the estimated cost of factory acquisition, renovation and fittings:

	Estimated cost RM'000
Acquisition of a 100,000 sq. ft. factory in Klang, Selangor	33,000
Office renovation and fittings, and installation of racking system	1,850
Purchase of 4 units of forklifts	150
Total	35,000

The total cost to establish Klang Factory 2 is estimated at RM35.00 million. The estimated cost of factory acquisition was derived after taking into consideration quotations received from developers and property agents for factories that we have identified in Klang, Selangor. The remaining cost of RM19.00 million will be funded via internally generated funds and / or bank borrowings.

Upon completion, the new facility will serve as our Group's corporate head office to house our management and administrative employees in a main location to increase operational efficiency as well as to accommodate more employees as part of the expansion of our business. It will also provide our employees with a conducive work environment to enhance productivity and performance, and minimise employee turnover. Furthermore, with a corporate head office, we are able to enhance the visibility of our brand and elevate our corporate image amongst our customers, suppliers, employees and other stakeholders.

Kindly refer to Section 6.15.1.2 of this Prospectus for further details.

4. PARTICULARS OF OUR IPO (*Cont'd*)

4.4.2 Purchase of new machinery and equipment

(a) Automated and robotic packing machines

As part of our future plan to fully automate our production of corrugated cartons, we plan to purchase and install automated and robotic packing machines for our existing production lines in Klang Factories and Nilai Factory by 2nd half of 2023 as well as for Klang Factory 2 by 2nd half of 2024.

The total estimated cost of our investment in these machines is approximately RM7.10 million which will be fully funded by proceeds from our Public Issue. Details of the estimated costs for these machines are as follows:

Type of machine	Function	No of unit(s)	Timing	Estimated cost RM'000
Semi-automatic pre-feeder	<ul style="list-style-type: none"> To feed corrugated boards into the flexographic printing machine To feed carton blanks into the automatic folding, stitching and gluing machine 	2	2023 ^(a)	400
Conveyor system	To convey the carton blanks from 2 units of flexographic printing machines to 1 unit of automatic folding, stitching and gluing machine	1	2023 ^(a)	1,600
Automatic folding, stitching, gluing machine	To fold, stitch and glue the carton blanks into corrugated cartons	1	2024 ^(b)	2,200
Automatic bundling machine	To bundle the corrugate cartons	1	2024 ^(b)	280
Wrapping machine	To wrap the palletised cartons with shrink wrap	1	2024 ^(b)	20
Robot palletiser system	To pick and place bundled cartons onto pallets	3	2023 and 2024 ^(c)	2,600
			Total	7,100

Notes:

- (a) We intend to purchase 2 units of semi-automatic pre-feeders by 1st half of 2023 and 1 unit of conveyor system by 2nd half of 2023 to combine our existing 2 units of flexographic printing machines with our existing 1 unit of automatic folding, stitching and gluing machine at No. 27 Klang Factory.
- (b) We intend to purchase 1 unit of automatic folding, stitching and gluing machine, 1 unit of automatic bundling machine and 1 unit of wrapping machine by 2nd half of 2024. This set up will be installed and connected to the new 6-colour flexographic printing machine at Klang Factory 2.
- (c) We intend to purchase 2 units of robot palletiser system for our existing Klang Factories and Nilai Factory, respectively by 2nd half of 2023 and another 1 unit for Klang Factory 2 by 2nd half of 2024.

Kindly refer to Section 6.15.2.1 of this Prospectus for further details.

4. PARTICULARS OF OUR IPO (Cont'd)

(b) Honeycomb board machines

We plan to introduce a new type of paper pallet using honeycomb board. To scale up the production of paper pallets, we plan to invest in honeycomb board machines to produce honeycomb boards in various thickness which will serve as the pallet's deck and runner / leg.

We plan to purchase 2 units of honeycomb board machines which comprise the following:

- (i) Honeycomb core making segment
- paper holder and unwinding unit which holds rolls of liner paper as input material to produce the honeycomb core;
 - gluing unit to apply alternate strips of glue on the liner paper;
 - drying unit to dry the glue applied; and
 - cross-cutting unit to cut the glued paper in strips and stack them to form the honeycomb core structure.
- (ii) Honeycomb board making segment
- paper holder and unwinding unit which holds rolls of liner paper to be fed to the gluing unit as input material to form the top and bottom layer of the honeycomb board;
 - stretch platform and drying units which stretches and dry the honeycomb core;
 - gluing unit to apply glue on the top and bottom of the stretched honeycomb core;
 - ironing unit to apply heat and pressure on the laminated layers to dry the honeycomb board;
 - cold press unit to cool down the honeycomb board;
 - slitting and cross cutting units to cut and slit the board into smaller pieces; and
 - stacking unit to stack the finished products.

Each machine will have the capacity to produce 4 to 25 metres of honeycomb boards per minute. The machine will be able to produce board with thickness of 6mm up to 80mm.

The total estimated cost of our investment for 2 units of the said machines is approximately RM3.20 million which will be fully funded by proceeds from our Public Issue. We target to purchase 1 unit by 2nd half of 2024 for our Nilai Factory and another unit by 1st half of 2025 for Klang Factory 2.

Kindly refer to Section 6.15.2.2 of this Prospectus for further details.

(c) 6-colour flexographic printing machine

We plan to introduce 6-colour printing on our corrugated cartons. As at the LPD, all our flexographic printing machines is equipped with 3 printing units in each machine which is capable of printing up to 3 colours at one time. Our planned 6-colour flexographic printing machine will have 6 printing units which will allow for printing of up to 6 colours at one time. With a wider colour palette, we would be able to print more vibrant and close to true colour of images on the corrugated cartons.

We plan to purchase 1 unit of 6-colour flexographic printing machine which comprises a feeder unit, 6 printing units for each ink colour, 1 slotter unit, 1 rotary die cutter unit as well as an in-line folder and gluer unit. We also intend to purchase additional units including a drying unit, automatic pre-feeder unit and bundling unit.

The total estimated cost of our investment in the said machine is approximately RM5.70 million which will be fully funded by proceeds from our Public Issue. We target to purchase the said machine by 2nd half of 2024 where it will be installed at Klang Factory 2.

Kindly refer to Section 6.15.2.3 of this Prospectus for further details.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4.3 Establish packaging design and innovation centre

We have renovated an existing area on the ground level of No. 27 Klang Factory and convert the space into a packaging design and innovation centre in September 2022. The packaging design and innovation centre comprise the following areas:

- design area where we will hire 2 packaging engineers and equipped them with computer aided design software;
- prototyping area comprising computerised digital flatbed cutter to produce corrugated paper packaging prototypes; and
- testing and measurement area comprising various equipment.

We also plan to expand our testing and prototyping facilities by purchasing a number of testing and prototyping equipment as disclosed in the table below by 1st half of 2023 to facilitate our front-end value-added services.

As at the LPD, we are equipped with 1 sample cutter, 1 box compression testing machine, 1 burst strength testing machine, 1 paper moisture meter, 1 grammage testing machine and 1 push-pull gauge to carry out quality testing for new paper carton model. We are unable to carry out certain testing and measurement activities such as, among others, temperature, humidity, vibration, crush strength, incline impact and tensile strength as we do not have the required equipment. Moving forward, we intend to offer these services to our customers.

The total estimated costs to establish a packaging design and innovation centre is RM1.50 million as follows:

	Estimated cost RM'000
Purchase of testing and prototyping equipment	
- 1 unit of walk-in temperature and humidity test chamber	200
- 1 unit of computerised flatbed sample cutter ^(a)	160
- 1 unit of box compression tester	150
- 1 unit of incline impact tester	140
- 1 unit of packaging clamping force tester	90
- 1 unit of computer-aided design software ^(a)	50
- 2 units of automatic burst strength tester	30
- 1 unit of single column tensile tester	25
- 1 unit of paper bending stiffness tester	20
- 1 unit of transportation vibration tester	20
- 1 unit of crush tester	15
Renovation of centre ^(b)	150
Hiring of 2 packaging engineers for 2 years	450
Total	1,500

Notes:

- (a) As at the LPD, we have purchased the computerised flatbed sample cutter and computer-aided design software using our internally generated funds.
- (b) As at the LPD, we have completed the renovation of the packaging design and innovation centre using our internally generated funds.

We intend to allocate RM1.14 million of the proceeds from our Public Issue to fund the cost of setting-up a packaging design and innovation centre. If the actual cost required is higher than the amount budgeted, the deficit will be funded by internally generated funds.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4.4 Repayment of bank borrowings

Name of financial institution	Type of facility	Purpose	Interest rate / Maturity date	Outstanding amount as at the LPD RM'000	Proposed repayment RM'000	Potential interest savings RM'000
Hong Leong Bank Berhad	Term loan	Part finance the purchase of Nilai Factory	BLR - 2.00%, subject to a minimum of 4.60% / 1 July 2034	2,741	2,000	681
Public Bank Berhad	Term loan	Part finance the purchase of No. 27 Klang Factory	BLR - 2.30% / 1 October 2038	5,076	4,000	1,369
Total					6,000	2,050

We intend to utilise RM6.00 million of our proceeds from the Public Issue to partially repay the abovementioned facilities. The repayment of the bank borrowings is expected to have a positive financial impact on our Group with interest savings of approximately RM2.05 million based on the prevailing interest rate per annum for each of the banking facilities as stated in the table above. None of the above borrowings were incurred by our Group in the last 12 months.

4.4.5 Working capital

We plan to use approximately RM5.41 million of the proceeds from the Public Issue to finance our Group's day-to-day operational requirements to support our existing business operations as well as the expected growth in our scale of operation in tandem with the expansion of our business. The breakdown of the allocation is as follows:

	Estimated cost RM'000
Purchase of materials ^(a)	4,500
General administrative and operating expenses i.e. utilities and rental	909
Total	5,409

Note:

(a) Materials mainly consist of corrugated paper board.

4.4.6 Estimated listing expenses

Our listing expenses are estimated to be RM4.40 million, the details of which are as follows:

Details	RM'000
Professional fees ^(a)	2,500
Fees to authorities	100
Estimated underwriting, placement and brokerage fees	1,200
Printing and advertising	350
Contingencies ^(b)	250
Total	4,400

4. PARTICULARS OF OUR IPO (*Cont'd*)

Notes:

- (a) Include professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and IMR.
- (b) Other incidental or related expenses in connection with the IPO, which include translators, media related expenses and IPO event expenses.

If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

Pending the eventual utilisation of proceeds from the Public Issue for the abovementioned purposes, the funds will be placed in short term deposits with licensed financial institutions or short-term money market instruments.

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of approximately RM21.13 million based on the IPO Price will accrue entirely to the Selling Shareholders. The Selling Shareholders shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM0.48 million.

4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.5.1 Brokerage fee

We will bear the brokerage fees in respect of the Issue Shares under the Public Issue at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of PIVB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.5.2 Underwriting commission

PIVB, as our Sole Underwriter, has agreed to underwrite 33,800,000 Issue Shares as set out in Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.25% of the total value of the Issue Shares underwritten at the IPO Price.

Any Issue Shares which are not subscribed for by the Malaysian Public and Eligible Persons will be made available to selected investors via private placement. Thereafter, any remaining Issue Shares which are not subscribed for, will be subscribed by our Sole Underwriter based on the terms of the Underwriting Agreement. However, in the event all our Issue Shares offered to the Malaysian Public are oversubscribed, any Issue Shares not subscribed for by the Eligible Persons will be made available for the Malaysian Public.

4.5.3 Placement fee

PIVB, as our Sole Placement Agent, has agreed to place out 57,380,000 Issue Shares and 38,420,000 Offer Shares available under the placement to selected investors as well as selected Bumiputera Investors approved by MITI as set out in Sections 4.1.1(b)(iii), 4.1.1(b)(iv) and 4.1.1(c) of this Prospectus respectively, at the rate of up to 2.25% of the IPO Price for each Issue Share / Offer Share to be placed out by the Sole Placement Agent.

The placement fee to be incurred on 38,420,000 Offer Shares to be placed out by the Sole Placement Agent will be fully borne by the Selling Shareholders.

4. PARTICULARS OF OUR IPO (*Cont'd*)

4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We had on 3 November 2022 entered into the Underwriting Agreement with our Sole Underwriter to underwrite 24,000,000 Issue Shares made available for application by the Malaysian Public and 9,800,000 Issue Shares made available for application by the Eligible Persons under the Pink Form Allocation (collectively referred to as “**Underwritten Shares**”), upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as follows:

4.6.1 Agreement to underwrite

- (i) The obligations of the Sole Underwriter under the Underwriting Agreement are conditional upon:
 - (a) the delivery by the Company to the Sole Underwriter before the last date and time for the Applications and payment for the Public Issue in accordance with the Prospectus and the Application Form (“**Closing Date**”) or extended Closing Date, to be mutually agreed in writing by the Company and the Sole Underwriter, subject to the prior written approval of the relevant authorities, if required and which will be advertised by the Company in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia (“**Extended Closing Date**”), a written confirmation by the Company that there having been on or prior to the Closing Date or Extended Closing Date, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial, business, operations or otherwise) of the Group, which is material in the context of the IPO as set out in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect which makes any of the representations and warranties contained in clause 3 of the Underwriting Agreement untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in clause 3 of the Underwriting Agreement and the said written confirmation shall be in the form and substance as attached in the first schedule of the Underwriting Agreement;
 - (b) the delivery by the Company to the Sole Underwriter prior to the date of the registration of the Prospectus with Bursa Securities, 2 certified extracts of all the resolutions of the Board:
 - (aa) approving the IPO and the Listing and the transactions contemplated by each of the same;
 - (bb) approving and authorising the execution of the Underwriting Agreement and authorising such person(s) as the Board may resolve to execute the Underwriting Agreement for and on behalf of the Company;
 - (cc) approving the issue and allotment of the Issue Shares under the IPO;
 - (dd) approving and authorising the issuance of the Prospectus; and
 - (ee) confirming that the Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus;
 - (c) the delivery by the Company to the Sole Underwriter, a written confirmation that all the resolutions referred in clause 2.2.2 of the Underwriting Agreement are in full force and effect as at the Closing Date or Extended Closing Date and have not been rescinded, revoked, or varied;
 - (d) the Prospectus being in the form and substance satisfactory to the Sole Underwriter;

4. PARTICULARS OF OUR IPO (Cont'd)

- (e) the delivery by the Company to the Sole Underwriter on the Closing Date or Extended Closing Date of such reports and confirmations dated the Closing Date or Extended Closing Date from the Directors of the Company as the Sole Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Group;
 - (f) the Sole Underwriter being satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in clause 14 of the Underwriting Agreement;
 - (g) on the Closing Date or Extended Closing Date, the IPO is not being prohibited or impeded by any statute, order, rule, regulation or directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia, including but not limited to Bursa Securities and the SC;
 - (h) on the Closing Date or Extended Closing Date, the Company having complied with and that the IPO is in compliance with the Act, the CMSA, policies, guidelines and requirements of Bursa Securities and / or the SC and all revisions, amendments and / or supplements thereto;
 - (i) the Prospectus having been issued within 2 months after the date of the Underwriting Agreement or within such extended period as may be agreed in writing by the Sole Underwriter;
 - (j) the Sole Underwriter having been satisfied that the Underwriting Agreement has been duly executed and stamped and the Company has complied with and there is no breach of, or failure on the part of the Company to comply with, any of their obligations under the Underwriting Agreement, and that the Company have complied with, and that the IPO (including the offer, sale and issue of Issue Shares), the Listing and the transactions contemplated under the Underwriting Agreement are in compliance with, all relevant laws;
 - (k) the acceptance for registration by Bursa Securities of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO and the lodgement of the Prospectus with the CCM on or before their release under the IPO or in accordance with Section 154 of the Act and the CMSA together with copies of all documents required under the Act and CMSA; and
 - (l) all approvals required in relation to the IPO, the admission and the Listing, including but not limited to approvals from Bursa Securities and the MITI having been obtained and are in full force and effect as at the Closing Date or Extended Closing Date and that all conditions of the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with to the satisfaction of the Sole Underwriter and such approvals have not been withdrawn, amended, suspended, terminated, lapsed or been revoked.
- (ii) If any of the conditions set out in Section 4.6.1(i) is not satisfied by the Closing Date or Extended Closing Date, the Sole Underwriter shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing and in that event, except for the liability of the Company for the payment of the underwriting commission, costs and expenses as provided in clause 14 of the Underwriting Agreement incurred prior to the termination and any claims pursuant to clause 3.3.1 of the Underwriting Agreement, there shall be no further claims by the Sole Underwriter against the Company, and the parties shall be released and discharged from their respective obligations hereunder provided that the Sole Underwriter may at its absolute discretion waive compliance with any of the provisions of Section 4.6.1(i) except for any conditions required by any laws, rules, regulations and guidelines or by any regulatory or governmental authorities / bodies.

4. PARTICULARS OF OUR IPO (Cont'd)

4.6.2 Termination / lapse of agreement

- (i) Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date or Extended Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:
 - (a) any of the approvals of Bursa Securities for the Listing is revoked, withdrawn; or
 - (b) there is any breach by the Company of any of the representations, warranties or undertakings contained in clause 3 of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated in a notice to be made by the Sole Underwriter to the Company of such breach, or by the Closing Date or Extended Closing Date, whichever is earlier; or
 - (c) there is withholding of information by the Company which is required to be disclosed to the Sole Underwriter pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated in a notice to be made by the Sole Underwriter to the Company of such breach, which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Issue Shares; or
 - (d) there shall have occurred, happened or come into effect any material and adverse change to the business or financial conditions of the Company or the Group; or
 - (e) approval for the IPO is withdrawn, modified and / or subject to terms and conditions not acceptable to the Sole Underwriter and which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on and / or materially prejudice the business or operations of the Company, the success of the IPO, the distribution or sale of the Issue Shares or the performance of any material part of the Underwriting Agreement; or
 - (f) there is a failure on the part of the Company to perform any of its obligations herein contained; or
 - (g) any of the conditions precedent set out in Section 4.6.1(i) are not duly satisfied by the Closing Date or Extended Closing Date.
- (ii) If the Closing Date or Extended Closing Date is more than 2 calendar months from the date of the Underwriting Agreement or falls on any later date as the Company and the Sole Underwriter may mutually agree upon in writing, the Underwriting Agreement will automatically lapse and thereafter, both parties shall be released and discharged from their obligations under the Underwriting Agreement and no party shall have any claims against the other, save for antecedent breaches.
- (iii) Upon such notice(s) being given under Section 4.6.2(i), the Sole Underwriter shall be released and discharged of its obligations under the Underwriting Agreement without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of its obligations and liabilities under clause 3 of the Underwriting Agreement, the underwriting commission, any antecedent breach and under clause 14 of the Underwriting Agreement for the payment of the costs and expenses already incurred up to the date of termination or in connection with such termination and for the payment of any taxes, duties or levies within 7 days from the date of the same being due.

4. PARTICULARS OF OUR IPO (*Cont'd*)

- (iv) If the Underwriting Agreement is terminated due to the Company taking actions to not proceed with the IPO resulting in the Sole Underwriter not being able to perform its obligations under the Underwriting Agreement, the Sole Underwriter is entitled to the underwriting commission in addition to the costs and expenses incurred thereto.
- (v) If the Underwriting Agreement is terminated pursuant to Section 4.6.2(i), the Sole Underwriter and the Company may confer with a view to defer the IPO by amending its terms or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Sole Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.

4.6.3 Force majeure

- (i) It will be an event of force majeure if the Sole Underwriter is unable to perform its obligations stipulated herein resulting from any event or series of events beyond the reasonable control of the Sole Underwriter, including without limitation any of the following:
 - (a) acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, any unavailability of transportation or severe economic dislocation, earthquake, typhoon, outbreak of war, outbreak of disease, acts of terrorism or the declaration of a state of national emergency;
 - (b) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing which is likely to have a material adverse effect on the stock market in Malaysia. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI (“**Index**”) is at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the Closing Date or Extended Closing Date,

lower than 90.00% of the Index level at the close of normal trading on the Market Day immediately prior to the date of the Underwriting Agreement and remain at or below that level for 3 or more consecutive Market Days, it shall be deemed a material adverse change in the stock market condition in Malaysia; or
 - (c) any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Sole Underwriter or any event or series of events beyond the reasonable control of the Sole Underwriter,

which would have or can reasonably be expected to have, a material adverse effect on and / or materially prejudice the business or the operations of the Company or the Group, the success of the IPO, the distribution or sale of the Issue Shares, or the performance of any material part of the Underwriting Agreement.

4. PARTICULARS OF OUR IPO (Cont'd)

- (ii) In the event of a force majeure pursuant to Section 4.6.3(i), the Sole Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date or Extended Closing Date:
 - (a) terminate the Underwriting Agreement by giving notice to the Company in the manner as set out in clause 15 of the Underwriting Agreement; or
 - (b) request for the Closing Date or Extended Closing Date to be extended to such reasonable date as the Sole Underwriter may decide.
- (iii) Upon delivery of the notice of termination pursuant to Section 4.6.3(ii)(a) and in the manner as set out in clause 15 of the Underwriting Agreement, the Underwriting Agreement will terminate hereafter and each party's rights and obligations will cease and none of the parties will have any claim against each other save and except for any antecedent breach, claims in respect of the costs and expenses of the Sole Underwriter in clause 14 of the Underwriting Agreement and the underwriting commission set out in clause 6 of the Underwriting Agreement.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters and substantial shareholders' shareholdings

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality / Place of incorporation	Before our IPO / As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	^(a) %	No. of Shares	^(a) %	No. of Shares	^(b) %	No. of Shares	^(b) %
<u>Promoters and substantial shareholders</u>									
Lucille Teoh Soo Lien	Malaysian	178,758,000	45.97	-	-	24,860,000	5.18	^(c) 292,800,000	61.00
Beh Seng Lee	Malaysian	178,758,000	45.97	-	-	1,436,000	0.30	^(c) 292,800,000	61.00
<u>Promoter</u>									
Beh Le Hao	Malaysian	-	-	-	-	^(d) 1,000,000	0.21	-	-
<u>Substantial shareholder</u>									
DS Kaizen	Malaysia	-	-	-	-	^(e) 292,800,000	61.00	-	-

Notes:

- (a) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (b) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (c) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.
- (d) Assuming Beh Le Hao will fully subscribe for his allocation under the Pink Form Allocation.
- (e) Transfer of Shares by Lucille Teoh Soo Lien and Beh Seng Lee to DS Kaizen pursuant to the Share Transfer.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.2 Profile of Promoters and substantial shareholders**(i) Lucille Teoh Soo Lien**

Promoter, substantial shareholder and Managing Director

Lucille Teoh Soo Lien, a Malaysian, aged 51, is our Promoter and substantial shareholder. She is also our Managing Director. She was appointed to our Board on 20 September 2021.

Lucille Teoh Soo Lien completed her secondary education at St. Xavier's Institution in 1990. Upon completion of her studies, she 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 9 months before joining Scientex Resources Sdn Bhd, a supplier of packaging related materials as a Product Manager. Scientex Containers Sdn Bhd and Scientex Resources Sdn Bhd were indirect wholly-owned subsidiaries of Scientex Berhad, a company listed on the Main Market of Bursa Securities. Both Scientex Containers Sdn Bhd and Scientex Resources Sdn Bhd were struck off in 2012 pursuant to Section 308 of the Companies Act, 1965. 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 in the same year and DS Packaging in 2003 with Beh Seng Lee. Subsequently in 2004, she co-founded DS Manufacturing with Beh Seng Lee, Loi Guak Lian and Yong Chong Long and served as director in all 3 companies. She is responsible for overseeing our Group's paper based products segment as well as strategising our future business directions and expansion plan. She also drives the implementation of sales and marketing strategies as well as develop business relationship with our customers. Under her sales and marketing effort, the Group has successfully secured customers such as Sony Group of Companies, Panasonic Group of Companies and Samsung Electronics, which has remained as our customer as at the LPD. Currently as our Managing Director, she continues to assume the aforementioned role and responsibilities.

She also holds directorships in several private limited companies, details of which are disclosed in Section 5.2.4 of this Prospectus. Save for our Company, she does not sit on the board of directors of any other public listed companies.

(ii) Beh Seng Lee

Promoter, substantial shareholder and Executive Director

Beh Seng Lee, a Malaysian, aged 54, is our Promoter and substantial shareholder. He is also our Executive Director. He was appointed to our Board on 20 September 2021.

Beh Seng Lee obtained his Bachelor of Science in Agribusiness in 1993 from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia). In 1995, he started his career with Amcor Fibre Packaging (M) Sdn Bhd (*currently known as AMB Packaging (Malaysia) Sdn Bhd*), a corrugated fibreboard cartons manufacturer which is an indirect wholly-owned subsidiary company of Amcor Plc, a company dual-listed on New York Stock Exchange and Australian Securities Exchange, as a Sales Executive and later joined Corrugated Offset Packaging (M) Sdn Bhd, a packaging company, as a Senior Sales Executive in 1996.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

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

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

He also holds directorships in several private limited companies, details of which are disclosed in Section 5.2.4 of this Prospectus. Save for our Company, he does not sit on the board of directors of any other public listed companies. He is the father of our Executive Director, Beh Le Hao and uncle to our Sales Manager, Beh Koon Chiew.

(iii) Beh Le Hao
Promoter and Executive Director

Beh Le Hao, a Malaysian, aged 23, is our Promoter and Executive Director. He was appointed to our Board on 16 February 2022.

Beh Le Hao obtained his Bachelor of Science in Actuarial Science in 2021 from the London School of Economics and Political Science, United Kingdom. Whilst pursuing his tertiary education, he did his internship as an investment analyst at Affin Hwang Asset Management Berhad from June 2019 to August 2019 and Alanda Capital Management Limited from June 2020 to August 2020. Subsequently, he continued as a part time employee with Alanda Capital Management Limited from September 2020 to March 2021. He gained experience in finance related matters and equity research during his internship and part time employment in these companies.

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

Save for our Company, he does not sit on the board of directors of any other public listed or private limited companies. Beh Le Hao is the son of our Executive Director, Beh Seng Lee and cousin of our Sales Manager, Beh Koon Chiew.

(iv) DS Kaizen
Substantial shareholder

DS Kaizen was incorporated in Malaysia under the Act on 15 February 2022 as a private limited liability company.

As at the LPD, the issued share capital of DS Kaizen is RM100.00 comprising 100 ordinary shares. The principal activity of DS Kaizen is investment holding and it has no other intended business activity. As at the LPD, the directors and shareholders of DS Kaizen and their respective shareholdings in DS Kaizen are as follows:

Directors and shareholders	Direct interest in DS Kaizen	
	No. of DS Kaizen Shares	%
Lucille Teoh Soo Lien	46	46.00
Beh Seng Lee	54	54.00

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

During the prescription period (1 day after the launching date of the Prospectus up to a period of 30 days), our Selling Shareholders will transfer a total of 292,800,000 Shares to DS Kaizen (an investment holding company incorporated with the intention to hold their investment) at a consideration of RM21,960,000, to be satisfied partly by the issuance of 900 new DS Kaizen Shares to be issued at RM1.00 each. The remaining amount of RM21,959,100 will remain as an amount owing from DS Kaizen to the Selling Shareholders. The shareholdings in DS Kaizen after the Share Transfer are as follows:

Directors and shareholders	Direct interest in DS Kaizen	
	No. of DS Kaizen Shares	%
Lucille Teoh Soo Lien	460	46.00
Beh Seng Lee	540	54.00

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in our Promoters and substantial shareholders' shareholdings

The changes in our Promoter's and substantial shareholders' shareholdings in our Company since incorporation up to the LPD are as follows:

	As at 20 September 2021 (Date of incorporation)				After the Acquisitions (Before our IPO)				After our IPO and the Share Transfer			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(a)%	No. of Shares	(a)%	No. of Shares	(b)%	No. of Shares	(b)%	No. of Shares	(c)%	No. of Shares	(c)%
<u>Promoters and substantial shareholders</u>												
Lucille Teoh Soo Lien	-	-	-	-	^(d) 178,758,000	45.97	-	-	24,860,000	5.18	^(e) 292,800,000	61.00
Beh Seng Lee	10	50.00	-	-	178,758,000	45.97	-	-	1,436,000	0.30	^(e) 292,800,000	61.00
<u>Promoter</u>												
Beh Le Hao	-	-	-	-	-	-	-	-	1,000,000	0.21	-	-
<u>Substantial shareholders</u>												
Lindy Loh Swee Lee	10	50.00	-	-	^(d) -	-	-	-	-	-	-	-
DS Kaizen	-	-	-	-	-	-	-	-	^(f) 292,800,000	61.00	-	-

Notes:

- (a) Based on our issued share capital of 20 Shares as at the date of incorporation.
- (b) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (c) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (d) Subscribers' shares held by Lindy Loh Swee Lee, being one of the subscriber of the Company, were transferred to Lucille Teoh Soo Lien after the Acquisitions. Lindy Loh Swee Lee is an independent party who is not related to any of the Directors and major shareholders of the Company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (e) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.
- (f) Transfer of Shares by Lucille Teoh Soo Lien and Beh Seng Lee to DS Kaizen pursuant to the Share Transfer.

As at the LPD, our Promoters and substantial shareholders have the same voting rights as the other shareholders of our Company and there is no arrangement between DS Sigma and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of DS Sigma.

5.1.4 Persons exercising control over the corporation

Save for our Promoters and substantial shareholders who collectively hold approximately 66.69% of our enlarged number of issued share capital after our IPO, we are not aware of any other person who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.5 Benefits paid or intended to be paid

Save for the dividends paid to Lucille Teoh Soo Lien and Beh Seng Lee as disclosed in Section 11.4 of this Prospectus and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group in all capacities for the FYE 30 June 2022 and FYE 30 June 2023 as disclosed in Section 5.4.1 of this Prospectus, there are no other amount or benefits that have been or are intended to be paid to our Promoters and / or substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.1 Directors

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Mohamad Ismail Bin Abu Bakar (M)	61	Malaysian	16 February 2022	Independent Non-Executive Chairman
Lucille Teoh Soo Lien (F)	51	Malaysian	20 September 2021	Managing Director
Beh Seng Lee (M)	54	Malaysian	20 September 2021	Executive Director
Beh Le Hao (M)	23	Malaysian	16 February 2022	Executive Director
Lee Yew Weng (M)	45	Malaysian	16 February 2022	Independent Non-Executive Director
Loo Hee Guan (M)	52	Malaysian	16 February 2022	Independent Non-Executive Director
Maznida Binti Mokhtar (F)	55	Malaysian	16 February 2022	Independent Non-Executive Director

Notes:

(M) Male.

(F) Female.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.2.2 Profiles of our Directors

The profiles of our Directors are as follows:

(i) Mohamad Ismail Bin Abu Bakar
Independent Non-Executive Chairman

Mohamad Ismail Bin Abu Bakar, a Malaysian, aged 61, is our Independent Non-Executive Chairman. He was appointed to our Board on 16 February 2022.

Mohamad Ismail Bin Abu Bakar obtained his Bachelor of Science in Agribusiness in 1996 from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia). He began his career with Integrated Agriculture Development Project (Perlis) (“**IADP**”) in 1983, under the Ministry of Agriculture as an Assistant Agriculture Officer where he was responsible for implementing agriculture based projects identified by Asian Development Bank.

In 1996, he left IADP and joined MIDA as an Assistant Director in the Transport Industry Division. In 2001, he joined MIDA’s Chicago Office as their Deputy Director and subsequently in 2006, he was posted back to MIDA’s headquarter serving in the Foreign Investment Division as a Deputy Director where he was responsible for attracting and securing foreign investment into Malaysia in the manufacturing and services sector. In 2008, he was posted to MIDA’s Dubai Office and served as a Director for 3 years. Once he completed his tenure in Dubai, he was transferred back to the headquarter of MIDA in Kuala Lumpur and assumed the position of Senior Deputy Director in the Foreign Investment Coordination Division to facilitate the foreign investment process in Malaysia.

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

He also holds directorship in a private limited company, details of which are disclosed in Section 5.2.4 of this Prospectus. Aside from DS Sigma, he does not sit on the board of directors of any other public listed companies.

(ii) Lucille Teoh Soo Lien
Managing Director

Kindly refer to Section 5.1.2(i) of this Prospectus for the profile of Lucille Teoh Soo Lien.

(iii) Beh Seng Lee
Executive Director

Kindly refer to Section 5.1.2(ii) of this Prospectus for the profile of Beh Seng Lee.

(iv) Beh Le Hao
Executive Director

Kindly refer to Section 5.1.2(iii) of this Prospectus for the profile of Beh Le Hao.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(v) Lee Yew Weng
Independent Non-Executive Director

Lee Yew Weng, a Malaysian, aged 45, is our Independent Non-Executive Director. He was appointed to our Board on 16 February 2022.

Lee Yew Weng obtained his Bachelor of Commerce in 1999 from the University of Adelaide, Australia. He is a Chartered Accountant and has been a member of Certified Practising Accountant (“CPA”) Australia since 2003 and a member of the Malaysian Institute of Accountants since 2014.

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

He ventured into the corporate sector when he joined Jotech Holdings Berhad as their Group Accountant in 2002 where he was responsible for the group’s accounting and financial matters. From May 2003 to June 2010, he worked with AmInvestment Bank Berhad, firstly in the Corporate Finance and Advisory Department and was promoted as Associate Director where he was involved in various corporate exercises, including corporate restructuring, reverse take-overs, mergers and acquisitions, fund raising and initial public offering. Subsequently in July 2008, he was relocated to the Corporate & Institutional Banking Department of AmInvestment Bank Berhad as an Associate Director.

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

From June 2019 to February 2020, he joined Canfield Corporate Finance Company Limited (“**Canfield**”), an approved Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong as a Responsible Officer, where he was involved in marketing and structuring transactions for clients undertaking cross-border corporate exercises. Subsequently in September 2020, he joined Sorrento Capital Limited, an approved Sponsor and Corporate Finance Adviser in Hong Kong, licensed by the Securities and Futures Commission of Hong Kong as a Licensed Representative, a position he holds to-date, where he has similar responsibilities as his role in Canfield. As at the LPD, he has approximately 23 years of experience in accounting and financial services sectors.

He also holds directorships in several private limited companies, details of which are disclosed in Section 5.2.4 of this Prospectus. Aside from DS Sigma, he also sits on the board of other public listed companies. As at the LPD, he is the Non-Independent Non-Executive Director of Sunzen Biotech Berhad and the Independent Non-Executive Director of Hiap Huat Holdings Berhad.

(vi) Loo Hee Guan
Independent Non-Executive Director

Loo Hee Guan, a Malaysian, aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 16 February 2022.

Loo Hee Guan obtained his Bachelor of Economics in 1993 and Bachelor of Laws in 1995 from Monash University, Australia. He is a practicing lawyer and was called to the Malaysian Bar as an advocate and solicitor in 1995.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

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

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

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

He does not hold any directorships in private limited companies. Aside from DS Sigma, he also sits on the board of other public company, namely Ericson Foundation. Kindly refer to Section 5.2.4 of this Prospectus for further details of his directorships and involvement in other companies outside our Group.

(vii) Maznida Binti Mokhtar
Independent Non-Executive Director

Maznida Binti Mokhtar, a Malaysian, aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 16 February 2022.

Maznida Binti Mokhtar obtained her Bachelor of Science in Economics (Honours) in 1990 from the London School of Economics and Political Science, United Kingdom. She is a member of The Institute of Chartered Accountants in England and Wales since 1993 and also a member of the Malaysian Institute of Accountants since 1996.

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

She also holds directorships in several private limited companies, details of which are disclosed in Section 5.2.4 of this Prospectus. Aside from DS Sigma, she also sits on the board of QES Group Berhad as the Independent Non-Executive Director.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors in our Company as at the LPD and after our IPO are as follows:

Directors	Before our IPO / As at the LPD				^(a) After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	^(b) %	No. of Shares	^(b) %	No. of Shares	^(c) %	No. of Shares	^(c) %
Mohamad Ismail Bin Abu Bakar	-	-	-	-	300,000	0.06	-	-
Lucille Teoh Soo Lien	178,758,000	45.97	-	-	24,860,000	5.18	^(d) 292,800,000	61.00
Beh Seng Lee	178,758,000	45.97	-	-	1,436,000	0.30	^(d) 292,800,000	61.00
Beh Le Hao	-	-	-	-	1,000,000	0.21	-	-
Lee Yew Weng	-	-	-	-	300,000	0.06	-	-
Loo Hee Guan	-	-	-	-	300,000	0.06	-	-
Maznida Binti Mokhtar	-	-	-	-	300,000	0.06	-	-

Notes:

- (a) Assuming our Directors will fully subscribe for their respective allocation under the Pink Form Allocation.
- (b) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (c) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.
- (d) Deemed interested by virtue of his / her direct interest in DS Kaizen pursuant to Section 8(4) of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.4 Principal business activities and directorships in other corporations outside our Group for the past 5 years

Save as disclosed below, as at the LPD, none of our Directors have any principal business activities performed outside our Group (including principal directorships in the past 5 years preceding the LPD):

(i) Mohamad Ismail Bin Abu Bakar

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u> Emma Healthcare Sdn Bhd	Export and import of pharmaceutical and medical goods, wholesale of a variety of goods without any particular specialisation and wholesale of pharmaceutical and medical goods	Director / Shareholder	26 August 2021	-	10.00
<u>Past involvement:</u> Nara Zarin Enterprise					
	Business training and business consultancy services. Expired on 30 June 2022	Sole proprietor	30 June 2021	-	-

(ii) Lucille Teoh Soo Lien

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u> BL Kaizen	Investment holding, where it owns investment property	Director / Shareholder	16 November 2005	-	50.00
DS Kaizen					
	Investment holding in companies involved in manufacturing of corrugated paper packaging products and supply of protective packaging products	Director / Shareholder	15 February 2022	-	46.00

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iii) Beh Seng Lee

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u>					
Biotech Precision Berhad	Wholesale of pharmaceutical and medical goods and services	Shareholder	-	-	0.31
BL Kaizen	Investment holding, where it owns investment property	Director / Shareholder	16 November 2005	-	50.00
Comfort Place Sdn Bhd	Budget hotel and related activities	Director / Shareholder	19 October 2017	3 January 2022	40.00
FWS Management Sdn Bhd	Employment and provision of local and foreign workers	Director / Shareholder	7 October 2004	17 December 2021	25.00
DS Kaizen	Investment holding in companies involved in manufacturing of corrugated paper packaging products and supply of protective packaging products	Director / Shareholder	15 February 2022	-	54.00

(iv) Lee Yew Weng

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u>					
Hiap Huat Holdings Berhad	Investment holding of unquoted shares, where its subsidiaries are involved in manufacturing, recycling and refining all kinds of petroleum based products	Director	24 February 2021	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
IDM Padu Sdn Bhd	Scheduled waste management, oil and gas, petrochemicals, laboratory services and information technology ^(a)	Director / Shareholder	10 October 2017	-	49.00
Sunzen Biotech Berhad	Biotechnology research and development, manufacturing and marketing of animal feed supplement products and investment holding	Director	1 August 2020	-	-
Sunzen International Sdn Bhd	Retail, wholesale, distribution and trading of lifestyle, drinks, health and herbal drinks, health supplements, functional foods, bird's nest, beauty and skin care products	Director	8 September 2021	-	-
Yewnited Logistics Sdn Bhd	Business of land transportation, logistics and its related services and activities	Director / Shareholder	15 March 2017	5 February 2021	50.00
Yewnited Partners Sdn Bhd	Business management consultancy services	Director / Shareholder	24 January 2017	22 September 2022	33.33
<u>Past involvement:</u>					
Finsource Sdn Bhd	Financial advisory	Shareholder	-	-	_(b)
K-Star Sports Limited	Investment holdings of unquoted shares, where its subsidiaries are involved in construction activities and manufacturing of sports footwear and apparel	Director	24 March 2014	5 July 2021	-
SFG Advisory Sdn Bhd	General advisory services. Dissolved on 8 August 2018	Director / Shareholder	18 March 2010	-	24.50

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
Sinaran Advance Group Berhad	Real estate activities with owned or leased property, activities of holding companies, export and import of a variety of goods without any particular specialisation	Director	11 September 2020	5 July 2021	-
The Yanwo Sdn Bhd	Export and import of bird's nest and manufacture and retail sale of other food products	Director	8 September 2021	26 January 2022	-

(v) Loo Hee Guan

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u>					
Enlil Loo	Advocates and solicitors	Partner	1 September 2003	-	-
Ericsen Foundation	To receive and administer funds for public charitable purposes, to foster, develop and improve education of all kinds, to assist and aid in relieving the sickness and suffering of people with life limiting conditions and their families and carers	Director	27 January 2011	-	-
<u>Past involvement:</u>					
FM Equity Sdn Bhd	Dormant. Dissolved on 9 February 2021	Director	26 May 2009	-	-
Taurus Investment Management Berhad	Management of unit trust funds and the provision of fund management services	Director	30 April 2021	31 July 2022	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(vi) Maznida Binti Mokhtar

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u>					
Alam Teknorat Sdn Bhd	Consultant in the field of engineering information system and data management services	Shareholder	-	-	4.16
Skali DC Sdn Bhd	Web related services	Director	14 December 2015	-	-
QES Group Berhad	Investment holding of unquoted shares, where its subsidiaries are involved in trading and servicing of scientific instruments, manufacturing of industrial parts and equipment and providing vision software solution for automated equipment	Director	1 August 2019	-	-
<u>Past involvement:</u>					
QA Gourmet Sdn Bhd	Retail sale of bakery products and sugar confectionery. Dissolved on 19 February 2021	Director / Shareholder	7 August 2009	-	36.00
Qalbu Ademaz Sdn Bhd	Medical consultant, medical disposables, perishables and equipment, provide backup troubleshooting and services of the abovementioned equipment. Dissolved on 4 December 2020	Director / Shareholder	21 February 2006	-	95.00
Skali Community Engagement Sdn Bhd	Engaging in the business of financial advisors, consultants and acting as system integrators and as per representative agents for providing computer hardware	Director	31 December 2000	10 December 2018	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
Skali Group Sdn Bhd	Investment holding of unquoted shares, where its subsidiaries are involved in the provision of end-to-end business solutions to business entities	Director	23 December 2015	31 December 2019	-
Skali Venture Management Sdn Bhd	Other information technology service activities	Director	10 September 2004	13 January 2021	-

Notes:

- (a) In the process of members' voluntary winding up.
- (b) As at the LPD, Lee Yew Weng had disposed his entire shareholdings in Finsource Sdn Bhd.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.2.5 Involvement of our Directors in other businesses or corporations

Save as disclosed in Section 5.2.4 of this Prospectus, our Directors are not involved in other businesses or corporations.

The involvement of our Managing Director and Executive Director in other businesses or corporations outside our Group is not expected to require a significant amount of their time or attention as their involvement in the aforesaid companies are minimal since these companies are for investment holding and they are not involved in the management and day-to-day operations of those businesses. As such, their involvement in those business activities outside our Group will not affect their ability to perform their roles and responsibilities as well as their contribution to our Group.

The involvement of our Independent Non-Executive Chairman and Independent Non-Executive Directors in other business activities outside our Group are not expected to affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

5.2.6 Key Senior Management

Our Key Senior Management comprises the following:

Name	Designation
Lai Jian Hong (M)	Chief Financial Officer
Loi Guak Lian (M)	Factory Director
Beh Koon Chiew (M)	Sales Manager
Ramesh A/L Muniundy (Muniandy) (M)	Operations Manager

Note:

(M) Male.

5.2.7 Key Senior Management's shareholdings

The direct and indirect shareholdings of our Key Senior Management in our Company before our IPO and after the Listing are as follows:

Name	Before our IPO / As at the LPD				After our IPO ^(a)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	^(b) %	No. of Shares	^(b) %	No. of Shares	^(c) %	No. of Shares	^(c) %
Lai Jian Hong	-	-	-	-	200,000	0.04	-	-
Loi Guak Lian	15,652,000	4.03	-	-	16,152,000	3.37	-	-
Beh Koon Chiew	-	-	-	-	1,500,000	0.31	-	-
Ramesh A/L Muniundy (Muniandy)	-	-	-	-	200,000	0.04	-	-

Notes:

(a) Assuming our Key Senior Management will fully subscribe for their respective allocation under the Pink Form Allocation.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (b) Based on our issued share capital of 388,820,000 Shares after the Acquisitions but before our IPO.
- (c) Based on our enlarged issued share capital of 480,000,000 Shares after our IPO.

5.2.8 Profiles of our Key Senior Management

The profiles of the Key Senior Management of our Group are as follows:

(i) Lai Jian Hong
Chief Financial Officer

Lai Jian Hong, a Malaysian, aged 30, is our Chief Financial Officer. He is responsible for overseeing our Group's overall accounting and financial matters including financial reporting and planning, taxation, treasury management, corporate affairs and internal audit and control.

He obtained his Bachelor of Arts in Accounting and Finance in 2013 from the University of the West of England, United Kingdom. He then obtained his membership in the Association of Chartered Certified Accountants ("ACCA") and Malaysian Institute of Accountants in May 2018 and September 2018, respectively.

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

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

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

He subsequently joined our Group as Chief Financial Officer in July 2021 and brings with him approximately 6 years of experience in accounting and finance. Prior to our Chief Financial Officer joining our Group, the overall finance matters were managed by an accounts manager and an accounts executive, both of whom have been with the Group since 2014 and 2018, respectively and currently reports to our Chief Financial Officer.

(ii) Loi Guak Lian
Factory Director

Loi Guak Lian, a Malaysian, aged 60, is our Factory Director. He oversees the overall factory operations including, amongst others, production schedule and workforce management as well as machinery and equipment maintenance.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Loi Guak Lian completed his Sijil Pelajaran Malaysia from Sekolah Menengah Rantau in 1980. In 1982, he began his career with Seremban Fibre Containers Sdn Bhd as an Apprentice Production Operator where he was involved in setting up and operating machinery, as well as preparing and allocating raw materials before executing the manufacturing process. In 1997, he left Seremban Fibre Containers Sdn Bhd and joined Corrugated Offset Packaging (M) Sdn Bhd, a Malaysian packaging company as a Production Manager. He was responsible for overseeing, planning and organising production and maintenance schedules.

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

Loi Guak Lian is also a director of DS Manufacturing. Save for DS Manufacturing, he does not sit on the board of directors of any other company.

(iii) Beh Koon Chiew
Sales Manager

Beh Koon Chiew, a Malaysian, aged 43, is our Sales Manager and is responsible for the overall sales and marketing activities of our Group.

In 1998, he completed his Sijil Pelajaran Malaysia from Sekolah Menengah Jenis Kebangsaan Hua Lian, Perak. Subsequently in 2001, he obtained his Diploma in Mechanical Engineering from Federal Institute of Technology.

He began his career with Kaisung 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.

Beh Koon Chiew is the nephew of our Executive Director, Beh Seng Lee and cousin of our Executive Director, Beh Le Hao.

(iv) Ramesh A/L Muniundy (Muniandy)
Operations Manager

Ramesh A/L Muniundy (Muniandy), a Malaysian, aged 49, is our Operations Manager. He is responsible for overseeing our Group's overall manufacturing activities.

He received his Diploma in Mechanical Engineering in 1999 from the Workers Institute of Technology, Malaysia. Subsequently in 2007, he obtained his Masters in Business Administration accredited by the Irvine University, California, United States of America.

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.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
5.2.9 Involvement of our Key Senior Management in other businesses or corporations outside our Group for the past 5 years

Save as disclosed below, as at the LPD, none of our Key Senior Management have any principal business activities performed outside our Group (including principal directorships in the past 5 years preceding the LPD):

(i) Lai Jian Hong

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Present involvement:</u> Orbiting Scientific & Technology Sdn Bhd	Trading in all types of laboratory equipment, chemicals and reagents for laboratories and manufacturing uses	Shareholder	-	-	20.00
<u>Past involvement:</u> Roxceen Enterprise	Advertising and internet marketing. Expired on 30 July 2020	Sole proprietor	31 May 2017	-	-

(ii) Loi Guak Lian

Company	Principal activities	Involvement / Position held	Date of appointment	Date of resignation	% of direct shareholdings
<u>Past involvement:</u> VA Packaging Industrial Supply (M) Sdn Bhd	Industrial packaging supply and packaging of all kinds. Dissolved on 9 February 2021	Director	21 June 2002	-	-

The involvement of our Chief Financial Officer in other businesses or corporations outside our Group is not expected to require a significant amount of his time or attention as he is not involved in the management and day-to-day operations of those businesses in view that he is only a shareholder. As such, his involvement in those business activities outside our Group will not affect his ability to perform his roles and responsibilities as well as his contribution to our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.3 BOARD PRACTICES

Our Board has acknowledged the recommendations of the Malaysian Code on Corporate Governance (“MCCG”) which came into effect on 28 April 2021. Specifically, on Practice Note 5.9, where it is recommended that our Board comprise 30% female members. As at the date of this Prospectus, our Board comprises 2 females out of 7 members, which represent 28.57% of our Board, and is a departure from Practice Note 5.9 of MCCG.

As such, we have initiated the process of identifying suitable female candidates to be appointed as our director(s) to ensure that the above recommendation under the MCCG will be complied within 24 months after our listing. Save for Practice Note 5.9, the composition of our Board currently adheres to the other recommendations of the MCCG.

5.3.1 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:

Name	Designation	Date of expiration of the current term of office	No. of years in office
Mohamad Ismail Bin Abu Bakar	Independent Non-Executive Chairman	Subject to retirement by rotation at the next AGM held in year 2025	Less than 1 year
Lucille Teoh Soo Lien	Managing Director	Subject to retirement by rotation at the next AGM held in year 2023	1 year
Beh Seng Lee	Executive Director	Subject to retirement by rotation at the next AGM held in year 2025	1 year
Beh Le Hao	Executive Director	Subject to retirement by rotation at the next AGM held in year 2024	Less than 1 year
Lee Yew Weng	Independent Non-Executive Director	Subject to retirement by rotation at the next AGM held in year 2023	Less than 1 year
Loo Hee Guan	Independent Non-Executive Director	Subject to retirement by rotation at the next AGM held in year 2024	Less than 1 year
Maznida Binti Mokhtar	Independent Non-Executive Director	Subject to retirement by rotation at the next AGM held in year 2023	Less than 1 year

In accordance with our Company’s Constitution, 1/3 (or the number nearest to 1/3) of our Directors shall retire by rotation at the AGM of our Company in every year and shall be eligible for re-election provided always that all the Directors shall retire at least once in each 3 years but shall be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the retirement of Directors by rotation at such meeting. None of our Directors have been appointed for a fixed term.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 21 February 2022 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Lee Yew Weng	Chairman	Independent Non-Executive Director
Loo Hee Guan	Member	Independent Non-Executive Director
Maznida Binti Mokhtar	Member	Independent Non-Executive Director

The main functions of the Audit and Risk Management Committee include:

- (i) to review the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;
- (ii) to assess the suitability, objectivity and independence of the external auditors, including obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (iii) to establish, review and approve policies governing the circumstances under which contracts for the provisions of non-audit services can be entered into and procedures that must be adhered to by the external auditors and / or their affiliates in the provision of such services;
- (iv) to approve the non-audit services provided by the external auditors and / or their affiliates;
- (v) to review the quarterly and annual financial statements of our Group before recommendation to our Board, focusing particularly on:
 - any change or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting standards and other legal requirements.
- (vi) to discuss issues and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- (vii) to consider any related party transactions and conflict of interest situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (viii) to monitor the integrity of our Company's financial statements and ensure the financial statements are prepared in accordance with the applicable financial reporting standards;
- (ix) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conduct our business and affairs;
- (x) to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all the stakeholders;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (xi) to report its findings on the financial and management performance, and other material matters to our Board;
- (xii) to consider the major findings of internal investigations and management's response;
- (xiii) to do the following, in relation to the internal audit function:
 - consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal;
 - 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;
 - review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
 - consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by our management in response to audit findings;
 - review and decide on the budget allocated to the internal audit function;
 - appraise or assess the performance of members of the internal audit function; and
 - monitor the overall performance of our Company's internal audit function;
- (xiv) to do the following, in relation to the risk management:
 - oversee and recommend the risk management and internal control framework of our Group;
 - review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
 - implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
 - review the reporting guidelines for our management to report to the Audit and Risk Management Committee on the effectiveness of our Group's management of our business risks;
 - review the risk profile of our Group and to evaluate the measure taken to mitigate the business risks; and
 - review the adequacy of our management's response to issues identified to risk registers, ensuring that the risks are managed within our Group's risk appetite.
- (xv) to do the following, in relation to sustainability:
 - to review the implementation of our Group's sustainability-related strategies and initiatives;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- to monitor the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring and reporting of our Group’s material economic, environmental and social risks and opportunities; and
 - to assist our Board pertaining to disclosures in the Sustainability Statement for inclusion in our Company’s annual report;
- (xvi) to verify the allocation of Employees’ Share Option Scheme (“ESOS”) in compliance with the criteria as stipulated in the by-laws of ESOS of our Company, if any;
- (xvii) to monitor our Company’s compliance with relevant laws, regulations and code of conduct;
- (xviii) to review the adequacy and effectiveness of risk management, internal control and governance systems;
- (xix) to consider and examine such other matters as the Audit and Risk Management Committee considers appropriate; and
- (xx) to consider other relevant matters as delegated by our Board.

5.3.3 Remuneration Committee

Our Remuneration Committee was established on 21 February 2022 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Loo Hee Guan	Chairman	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director
Maznida Binti Mokhtar	Member	Independent Non-Executive Director

The main functions of the Remuneration Committee include:

- (i) to formulate and recommend a framework of remuneration for our Managing Director, Executive Directors and senior management for our Board’s approval. There should be a balance in determining the remuneration package, which takes into account the demands, complexities and performance of our Group as well as skills and experience required; and which should be sufficient to attract and retain the Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director’s fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (ii) to recommend specific remuneration packages for our Managing Director, Executive Directors and senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for the Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;
- (iii) to ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to run our Company successfully, which takes into consideration our Company’s performance in managing material sustainability risks and opportunities;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (iv) to structure the component parts of remuneration so as to align with the business strategy and long-term objectives of our Company and to link rewards to our Company's strategy and performance;
- (v) to ensure that the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board;
- (vi) to develop and administer a fair and transparent procedure for setting policies, strategies and framework for the remuneration of Directors and senior management;
- (vii) to ensure that remuneration packages are proposed on the basis of the Directors' merit, qualification and competence, having regard to our Company's operating results, individual performance and comparable market statistics;
- (viii) to act in line with the directions of our Board;
- (ix) to consider and examine such other matters as the Remuneration Committee considers appropriate; and
- (x) to consider any other relevant matters as delegated by our Board.

5.3.4 Nomination Committee

Our Nomination Committee was established on 21 February 2022 and its members are appointed by our Board. Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Maznida Binti Mokhtar	Chairperson	Independent Non-Executive Director
Lee Yew Weng	Member	Independent Non-Executive Director
Loo Hee Guan	Member	Independent Non-Executive Director

The main functions of the Nomination Committee include:

- (i) to formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of our Company, strengthen board leadership and oversight of sustainability issues;
- (ii) to source, identify, review and recommend candidates for appointment to our Board and Board Committees, which is led by the Chairman of the Nomination Committee, taking into consideration the optimum and effective size of our Board and the candidates:
 - character, competency, knowledge and experience;
 - professionalism;
 - integrity and credibility;
 - time commitment, particularly his number of other directorships; and
 - in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- (iii) to review the tenure of each Director on our Board;
- (iv) to recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution;
- (v) to assess the independence of Independent Directors annually;
- (vi) to consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and to take steps to ensure that gender, ethnicity and age group diversity are sought as part of its recruitment exercise;
- (vii) to establish and review the performance criteria to evaluate the performance of our Board, Board Committees and each individual Director;
- (viii) to recommend to our Board the nominees to fill the seats on Board Committees;
- (ix) to assess the effectiveness of our Board and the Committees of our Board as a whole and each individual Director of our Board in addressing our Company's material sustainability risks and opportunities. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions would be properly documented;
- (x) to ensure that orientation and education programmes are provided for new members of our Board;
- (xi) to ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to our Company and business, including climate-related risks and opportunities;
- (xii) to review the terms of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and its members have carried out their duties in accordance with the terms of reference;
- (xiii) to assist our Board in assessing and evaluating circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- (xiv) to formulate and review the nomination, selection and succession policies and plans for members of our Board, Board Committees and senior management;
- (xv) to act in line with the directions of our Board;
- (xvi) to consider and examine such other matters as the Nomination Committee considers appropriate; and
- (xvii) to consider any other relevant matters as delegated by our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.1 Directors' remuneration and material benefits in-kind

The details of the remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 30 June 2022 and FYE 30 June 2023 are as follows:

FYE 30 June 2022 (Actual)	Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Allowances (RM'000)	Statutory contributions (EPF, SOCSO and EIS) (RM'000)	Benefits in- kind (RM'000)	Total (RM'000)
<u>Executive Directors</u>							
Lucille Teoh Soo Lien	-	3,000	250	-	618	-	3,868
Beh Seng Lee	-	3,000	250	-	618	-	3,868
Beh Le Hao	-	110	24	-	26	-	160
<u>Independent Directors</u>							
Mohamad Ismail Bin Abu Bakar	-	-	-	-	-	-	-
Lee Yew Weng	-	-	-	-	-	-	-
Loo Hee Guan	-	-	-	-	-	-	-
Maznida Binti Mokhtar	-	-	-	-	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

FYE 30 June 2023 (Proposed)	Fees (RM'000)	Salary (RM'000)	Bonus ^(a) (RM'000)	Allowances (RM'000)	Statutory contributions (EPF, SOCSO and EIS) (RM'000)	Benefits in- kind (RM'000)	Total (RM'000)
<u>Executive Directors</u>							
Lucille Teoh Soo Lien	-	3,000	-	-	571	-	3,571
Beh Seng Lee	-	3,000	-	-	571	-	3,571
Beh Le Hao	-	120	-	-	24	-	144
<u>Independent Directors</u>							
Mohamad Ismail Bin Abu Bakar	48	-	-	-	-	-	48
Lee Yew Weng	36	-	-	4	-	-	40
Loo Hee Guan	36	-	-	4	-	-	40
Maznida Binti Mokhtar	36	-	-	4	-	-	40

Note:

- (a) Bonuses, if any, will be determined later based on the individual's performance as well as our Group's performance at the time of assessment.

The remuneration, which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits of our Directors, must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees and / or benefits must be further approved by our shareholders at a general meeting.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.4.2 Key Senior Management's remuneration and material benefits in-kind

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Key Senior Management for services rendered to our Group in all capacities for the FYE 30 June 2022 and FYE 30 June 2023 are as follows:

Key Senior Management	Remuneration band	
	FYE 30 June 2022	^(a) Proposed for the FYE 30 June 2023
	(RM'000)	(RM'000)
Lai Jian Hong	250 to 300	200 to 250
Loi Guak Lian	200 to 250	150 to 200
Beh Koon Chiew	600 to 650	400 to 450
Ramesh A/L Muniandy (Muniandy)	200 to 250	150 to 200

Note:

- (a) Bonuses, if any, will be determined later based on the individual's performance as well as our Group's performance at the time of assessment.

5.5 DECLARATIONS BY EACH PROMOTER, DIRECTOR AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and Key Senior Management is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he was a partner, or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceeding in the last 10 years;
- (iv) any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) any unsatisfied judgment against him / her.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships or associations between our Promoters, substantial shareholders, Directors and Key Senior Management:

Name	Designation	Relationship
Beh Seng Lee	Executive Director	<ul style="list-style-type: none"> • Father of Beh Le Hao, our Executive Director • Uncle of Beh Koon Chiew, our Sales Manager
Beh Le Hao	Executive Director	<ul style="list-style-type: none"> • Son of Beh Seng Lee, our Executive Director • Cousin of Beh Koon Chiew, our Sales Manager
Beh Koon Chiew	Sales Manager	<ul style="list-style-type: none"> • Nephew of Beh Seng Lee, our Executive Director • Cousin of Beh Le Hao, our Executive Director

5.7 SERVICE AGREEMENTS

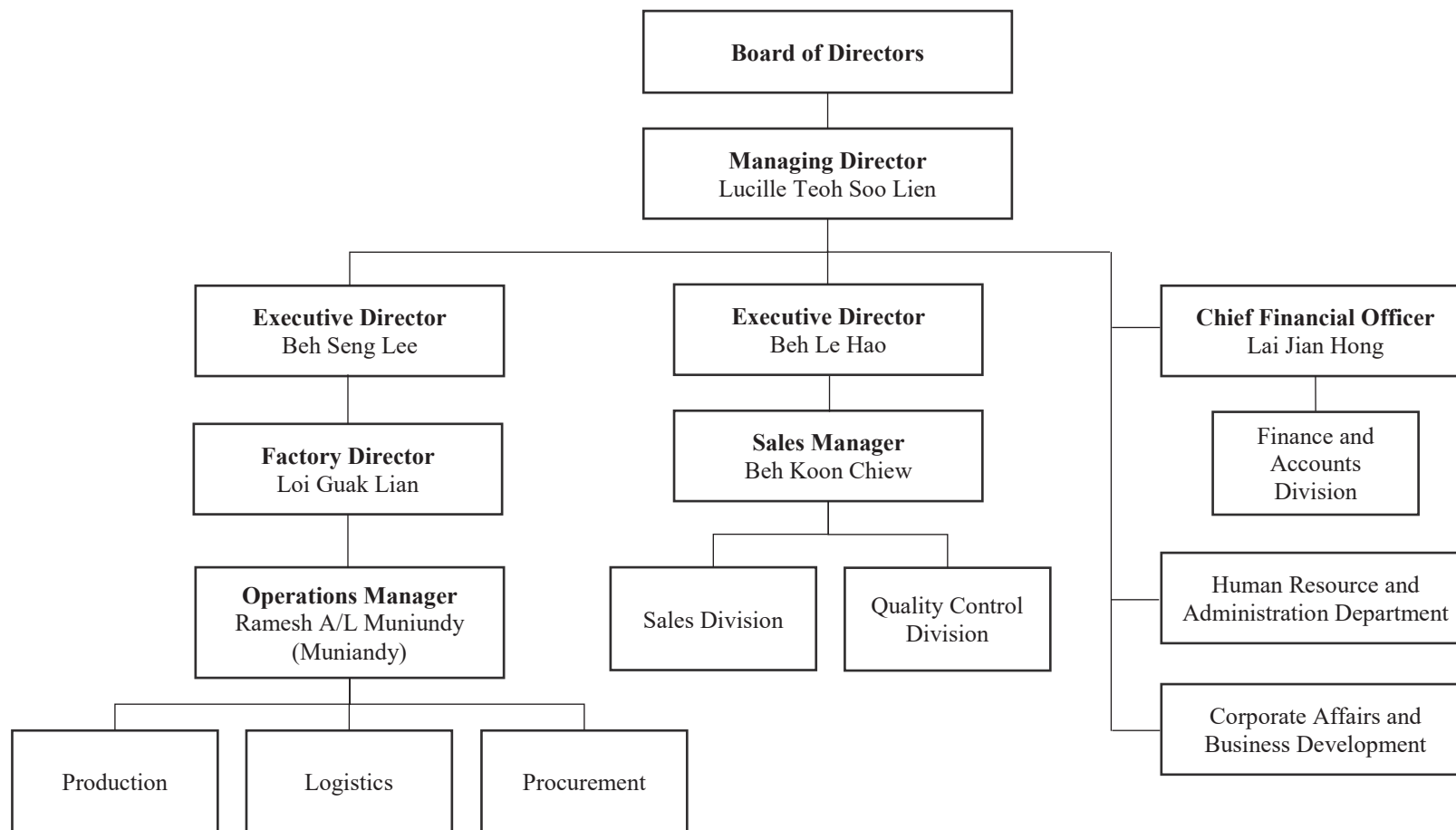
As at the LPD, none of our Directors and / or Key Senior Management have any existing or proposed service agreements with our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.8 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:



6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 20 September 2021 as a private limited company under the name of DS Sigma Holdings Sdn Bhd and was subsequently converted to a public limited company on 17 February 2022.

DS Sigma is an investment holding company and through our Subsidiaries, we are a packaging products provider with in-house manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets. We also supply non-paper based protective packaging products such as plastic, foam and rubber products.

6.1.1 Our Group's history

The table below sets out the key events and milestones in the history and development of our Group's business operations:

Year	Events
2002	<ul style="list-style-type: none"> • Kaisung was incorporated and commenced operations in the same year to undertake the supply of plastic and other protective packaging products mainly for customers in the consumer electronics industry. Our first customer was Samsung Electronics where we supplied plastic and other protective packaging products such as laminated PE foam, rubber and sponges as vibration absorbers for the packaging of Samsung Electronics' microwave ovens.
2003	<ul style="list-style-type: none"> • DS Packaging was incorporated and commenced operations in 2003 to focus on the supply of corrugated paper packaging products including cartons and protective packaging such as edge boards, layer pads and nesting for Samsung Electronics. • We relocated our operations from a rented shop office in Balakong, Selangor to a terrace factory located at No. 36, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor.
2004	<ul style="list-style-type: none"> • DS Manufacturing was incorporated and commenced operations as a manufacturer of corrugated paper packaging products in a rented semi-detached factory in Telok Gong, Port Klang in Selangor. • We purchased our first flexographic printing machine to produce cartons with capacity of approximately 2,000 pieces of carton blanks per hour, as well as a manual die-cut machine to produce die-cut sheets, trays and cartons in small quantities. • To cater to the growth in demand, Kaisung expanded its trading operations with the rental of another terrace factory known as No. 38, Jalan BP 5/6, Bandar Bukit Puchong, 47100 Puchong, Selangor, which is located next to our existing operations. As at the LPD, the Puchong Facility is our head office, warehouse for our protective packaging products, as well as our operational facility for the processing of plastic and foam bags.
2006	<ul style="list-style-type: none"> • We expanded our manufacturing operations with the purchase of another flexographic printing machine to increase our production capacity. • We commenced the manufacturing of paper pallets for shipping and logistics use. • Through Kaisung, we commenced processing of plastic and foam bags where we cut and seal plastic and foam sheets into bags at our Puchong Facility, albeit on a small-scale basis. • We secured 2 new key customers namely SSCSM where we supply packaging products for their international procurement operations for export, as well as PAACM where we supply packaging products for their air conditioners for local retail and export purposes.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Events
2008	<ul style="list-style-type: none"> We became SSCSM's appointed packaging supplier and commenced providing consignment arrangement to SSCSM's parts manufacturing vendors. These vendors will use our packaging products to transport their parts to Sony Group Corporation's manufacturing operations in Malaysia.
2010	<ul style="list-style-type: none"> We commenced supplying paper packaging products to a new key customer, namely PAVC for packaging of the customer's liquid crystal display ("LCD") television for retail.
2013	<ul style="list-style-type: none"> To cater to increased demand and customer base, we purchased another flexographic printing machine for our operations in Klang. The said machine is capable of printing 2,500 pieces of carton blanks per hour. Through SSCSM, we secured another key customer within the Sony Group of Companies, namely SOEM where we supply packaging products to SOEM for packaging of their television range for local retail and export purposes.
2014	<ul style="list-style-type: none"> We purchased the Nilai Factory and relocated 1 of our corrugated carton printing lines to the said factory.
2015	<ul style="list-style-type: none"> We relocated our manufacturing operations to No. 29 Klang Factory, which we rented from Lucille Teoh Soo Lien and Beh Seng Lee.
2018	<ul style="list-style-type: none"> In view of increasing demand, DS Packaging acquired the factory lot next to No. 29 Klang Factory, namely No. 27 Klang Factory. As at the LPD, the Klang Factories house our main manufacturing operations for corrugated paper packaging products. Our subsidiary, DS Packaging, commenced manufacturing of corrugated paper packaging products. Through DS Packaging, we purchased our first fully automatic flatbed die-cutting machine which enables us to produce folder-type cartons and trays with complex cuts and in larger quantities. The said machine is able to produce 2,000 pieces of die-cut carton blanks per hour.
2019	<ul style="list-style-type: none"> DS Packaging purchased its own flexographic printing machine to produce corrugated cartons. The said machine is capable of printing 2,500 pieces of carton blanks per hour. The increase in capacity is to meet the increase in demand from our major customers. We purchased our first automatic folding, stitching and gluing machine which is able to automatically fold slotted-type carton blanks by its creases, then glue and stitched it up.
2022	<ul style="list-style-type: none"> We purchased and installed another flexographic printing machine to replace 1 of our existing machines.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.2 Awards, recognition and certifications

The awards, recognitions and certifications that we have received include the following:

Year	Awards, recognitions and certifications
2003	“Appreciation Award” presented to DS Packaging in recognition of outstanding efforts given as best quality for new vendor, awarded by Samsung Electronics.
2007	“Certificate of Green Partner” presented to DS Packaging to certify that DS Packaging has established an environmental management system that meets the requirement of the Sony Green Partner Program, issued by Sony Group Corporation’s procurement centre and valid until 31 December 2008.
2007	“Strategic Business Partner” presented to DS Packaging in recognition of excellent effort and contribution in 2007, awarded by PAACM.
2008	“Certificate of Appreciation” in recognition of DS Packaging as the best vendor for the month of June 2008, awarded by Samsung Electronics.
2009	“Certificate of Green Partner” presented to DS Packaging to certify that DS Packaging has established an environmental management system that meets the requirement of the Sony Green Partner Program, issued by Sony Group Corporation’s procurement centre and valid until 31 March 2011.
2017	“Good Business Partner Appreciation Award” presented to DS Packaging in recognition of special effort in 2017, awarded by PAACM.
2018	“Good Business Partner Good Service Award” presented to DS Packaging in recognition of special effort in 2018, awarded by PAACM.
2019	“Certificate of Green Partner” presented to DS Packaging to certify that DS Packaging has established an environmental management system that meets the requirement of the Sony Green Partner Program, issued by Sony Group Corporation’s procurement centre and valid until 31 March 2021.
2021	“Certificate of Green Partner” presented to DS Packaging to certify that DS Packaging has established an environmental management system that meets the requirement of the Sony Green Partner Program, issued by Sony Group Corporation’s procurement centre and valid until 31 March 2024.

As at the LPD, we have also been accredited with the following management systems:

Company within our Group	Accreditation	Scope	Issuing party	Validity period
DS Packaging	ISO 9001:2015 Quality Management Systems	Manufacture of corrugated cartons	Intertek Certification International Sdn Bhd	17 October 2020 to 16 April 2023
DS Packaging	ISO 14001:2015 Environmental Management System	Manufacture of corrugated cartons	Intertek Certification International Sdn Bhd	26 August 2022 to 27 June 2025
Kaisung	ISO 9001:2015 Quality Management Systems	Production and supply of PE foam bags and cut-sheets	Intertek Certification International Sdn Bhd	12 April 2021 to 19 April 2024

6. INFORMATION ON OUR GROUP (*Cont'd*)

6.1.3 Our competitive advantages and key strengths

Our competitive advantages and key strengths which will provide us with the platform to grow our business are as follows:

(a) We are able to provide packaging products supported by our in-house manufacturing of corrugated board products, supply of packaging materials and provision of value-added services

We are able to provide packaging products serving as a convenient one-stop packaging centre to some customers. This includes the provision of corrugated paper and protective packaging as a total packaging and selling our packaging products as a complete set. For the Financial Years Under Review, revenue contribution from sales of our packaging products sold as a complete set amounted to RM42.90 million (40.59%), RM30.29 million (35.26%), RM43.55 million (34.06%) and RM41.32 million (34.09%) of our total revenue for FYEs 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively.

As a packaging products provider, our business operation is supported by our in-house manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets supplemented by our sourcing and procurement of non-paper based protective packaging products such as plastic, foam and rubber products.

We also provide value-added services to some customers as follows:

- We carry out front-end value-added services in collaboration with our customers for packaging of new products or to improve packaging of existing products. Our front-end value-added services mainly involve design support and packaging optimisation aimed at achieving economical and efficient use of carton and shipping container space for storage and transportation. Among others, our services include, in collaboration with our customers, facilitating the following:
 - design cartons and protective packaging to pack more items within each carton while maintaining the required level of protection and where possible reduce cost of packaging materials; and
 - optimise dimensions of cartons and paper pallets, and use of protective packaging to maximise the number of cartons loaded in each shipping container.

In view of recent increases in sea freight rates, the ability to load more cartons in each shipping container can translate to shipping cost savings. According to the Industry Overview Report, sea freight rate has been increasing since the beginning of the COVID-19 pandemic. From an average weekly rate of US\$1,518/forty-foot equivalent unit (FEU) in 2018 and 2019, sea freight rates had rose up by more than 6-folds to a peak of US\$10,377/FEU on 23 September 2021. Following the gradual relaxing of containment measures in various countries, the sea freight rate declined to US\$3,383/FEU on 20 October 2022 despite uncertainties remaining high due to the Russia-Ukraine conflict and inflationary pressures (*Source: Industry Overview Report*).

- JIT inventory management where we deliver our packaging products to our customers as and when it is needed. This provides savings on our customers' warehousing space as well as reduces their carrying costs. To facilitate JIT inventory management, we work closely with our customers where we are provided with projections as well as a production work schedule that allows us to time our production and delivery of packaging materials to our customers' premises.

6. INFORMATION ON OUR GROUP (Cont'd)

- Consignment of packaging products where we maintain a certain level of our inventory of packaging products at our customers' vendors' warehouses. This benefits our customers and their vendors as they are assured of a minimum stock of packaging products while only being invoiced when they use them.
- Assembly and packing services which include opening cartons from the delivered flat cartons, and inserting protective packaging and packing contents into the cartons at our customers' premises.

Our ability to provide packaging products supported by our in-house manufacturing of corrugated board products, supply of packaging materials and provision of value-added services to provide convenience to our customers enable us to cultivate customer loyalty to retain existing customers as well as to attract new customers.

(b) We have an established track record of 20 years to serve as a platform for business sustainability and growth

We have an established track record that spans approximately 20 years since the commencement of our business operations in the supply of packaging products in 2002 and manufacturing of corrugated paper packaging products in 2004.

Throughout our 20 years of operations, we have developed and established long-term relationships with our customers where our top 5 major customers have been dealing with us between 9 years to 20 years since we commenced business. Our numerous awards, recognitions and certifications from our customers are a testament to our track record and performance. Please refer to Section 6.1.2 of this Prospectus for further details of our awards, recognitions and certifications.

Our established track record has enabled us to garner the trust among our customers and this is substantiated by our revenue growth which increased from RM105.68 million in FYE 30 June 2019 to RM121.22 million in FYE 30 June 2022, representing a CAGR of 4.68%, although there was a decrease in revenue of RM19.79 million from RM105.68 million in FYE 30 June 2019 to RM85.89 million in FYE 30 June 2020. The decrease in revenue for the FYE 30 June 2020 was mainly due to the decrease in orders from major customers as a result of global consumer electronic competition coupled with a temporary suspension of our business operations as a result of the MCO. Our revenue in FYE 30 June 2022 decreased by 5.19% to RM121.22 million from RM127.86 million in FYE 30 June 2021 mainly due to the decrease in orders from some major customers caused by interruptions in their business operations during the NRP phase 1 period, coupled with the decrease in orders from a major customer that had to halt Russian product models amidst the international sanctions placed on Russia in early 2022.

In this respect, our track record serves as an important reference and testament to help our Group secure new business including our future plan to expand our operations to Penang to provide packaging products and services to manufacturers in the solar PV and medical devices industries.

(c) We can provide fast delivery of goods to our customers while having a lean inventory management system

We can fulfil our customers' orders within a short delivery time frame, commonly within 5 working days from receipt of purchase order, while adopting a lean inventory management system where our inventory is kept at a minimum level at our warehouse.

6. INFORMATION ON OUR GROUP (Cont'd)

For the Financial Years Under Review, our average inventory turnover days range between 12 days and 17 days. For raw materials including mainly corrugated board, our average inventory turnover day was 1 day for our in-house production of corrugated paper packaging products. For finished goods such as corrugated cartons, paper pallets as well as other plastic and foam based protective packaging, our average inventory turnover days were between 11 days and 16 days. These finished goods are stored as stock in our factory as well as in our consignees' premises. For customers which we provide consignment services, we keep an inventory level of 1 month at our customers' designated warehouses to ensure sufficient stock level of packaging products to meet customer's production schedule.

Our ability to maintain a lean inventory system is supported by our systematic procurement and management of inventories. We utilise an enterprise resource planning ("ERP") software catered for corrugated paper packaging manufacturers which allows us to manage our operations including materials, sales, cost, production, warehouse and finance.

We are also supported by suppliers with whom we have long established relationships. Throughout our 20 years of operations, we have developed and established a long-term supplier base where 2 of our top 5 major suppliers have been dealing with us for at least 14 years since we commenced business.

Our systematic inventory management and timely delivery of finished goods to customers help to create a loyal customer base to generate recurrent sales from existing customers.

(d) We have an experienced management and technical team to lead, manage and grow our business

We have an experienced management team headed by our Managing Director, Lucille Teoh Soo Lien and our Executive Director, Beh Seng Lee who bring with them approximately 30 years and 29 years of experience in the packaging industry, respectively. As the Directors and founders of our Group, Lucille Teoh Soo Lien and Beh Seng Lee, has been instrumental in the growth and development of our Group-

They are supported by our Key Senior Management as follows:

- Lai Jian Hong, our Chief Financial Officer, who brings with him approximately 7 years of experience in accounting and finance. He is responsible for overseeing our Group's overall accounting and financial matters;
- Loi Guak Lian, our Factory Director, who brings with him more than 40 years of experience in the paper packaging industry. He oversees the overall factory operations including, amongst others, production schedule, workforce management as well as machinery and equipment maintenance.
- Beh Koon Chiew, our Sales Manager, who brings with him approximately 20 years of experience in sales for the packaging industry. He is responsible for the overall sales and marketing activities for our Group; and
- Ramesh A/L Muniundy (Muniandy), our Operations Manager, who brings with him over 30 years of experience in the manufacturing industry. He is responsible for overseeing our Group's overall manufacturing activities.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.4 Share capital and changes in share capital

As at the LPD, our issued share capital is RM29,161,500.50 comprising 388,820,000 Shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Consideration (RM)	Type of issue	Cumulative issued share capital (RM)
20 September 2021	20	2.00	Subscribers' shares	2.00
29 August 2022	388,819,980	29,161,498.50	Otherwise than cash pursuant to the Acquisitions	29,161,500.50

There were no discounts, special terms or instalment payment terms given in consideration of the above allotment.

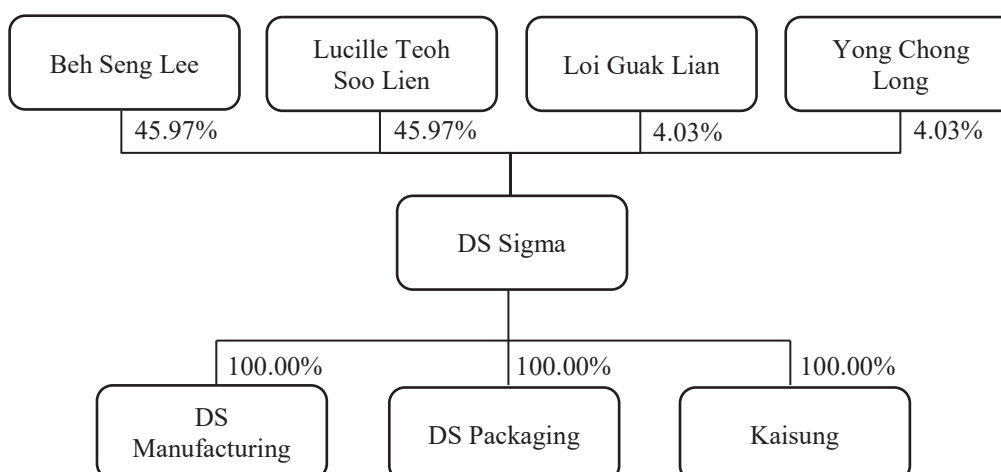
As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM79,310,500.50 comprising 480,000,000 Shares.

6.1.5 Our Group structure

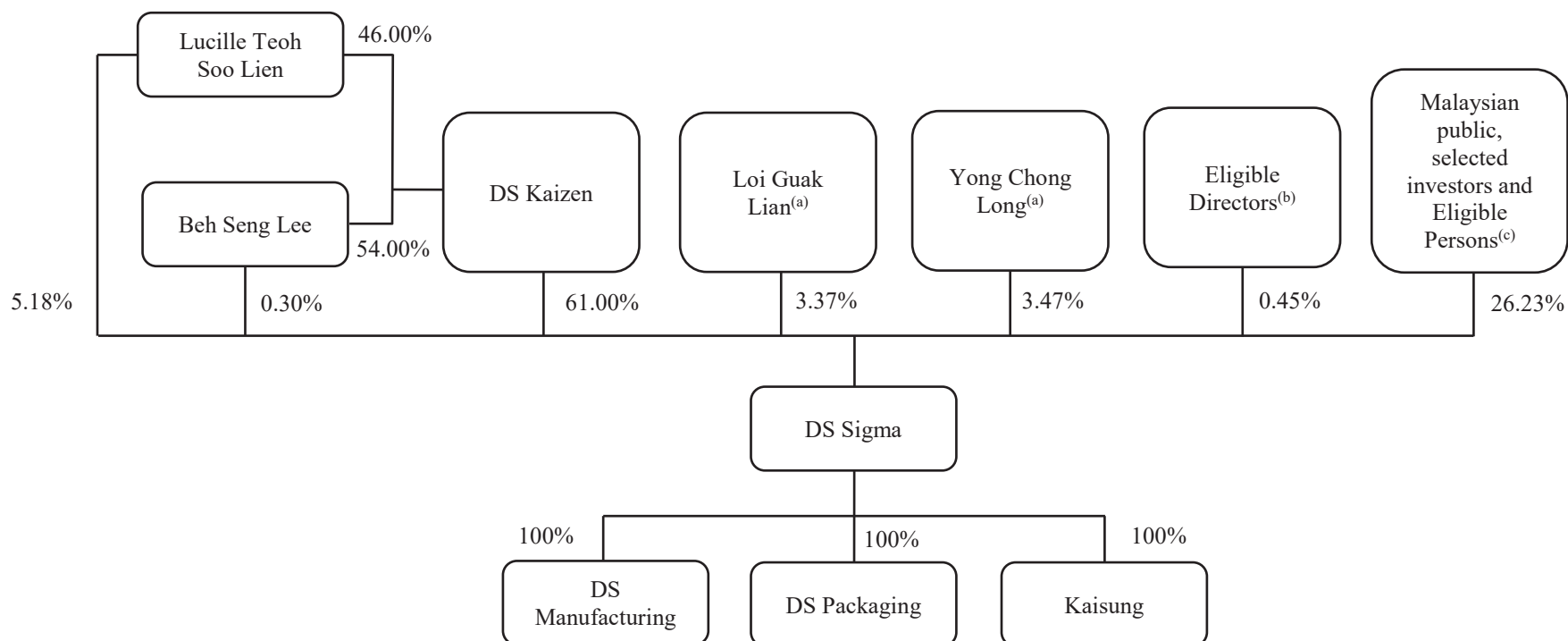
Our corporate Group structure before and after our IPO are as illustrated below:

After the Acquisitions and before our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

After our IPO and Share Transfer



Notes:

- (a) Assuming Loi Guak Lian and Yong Chong Long, being Eligible Persons, fully subscribe for their entitlements under the Pink Form Allocation as set out in Section 4.1.1(b)(ii) of this Prospectus.
- (b) Comprising Pink Form Allocation to our eligible Directors who are not deemed as public shareholders. Further details of our Pink Form Allocation are set out in Section 4.1.1(b)(ii) of this Prospectus.
- (c) Comprising the Malaysian Public, selected investors and selected Bumiputera investors approved by MITI as set out in Sections 4.1.1(b)(i), 4.1.1(b)(iii), 4.1.1(b)(iv), and 4.1.1(c) of this Prospectus as well as Pink Form Allocation to our eligible employees as well as persons who have contributed to the success of our Group as set out in Section 4.1.1(b)(ii) of this Prospectus. These shareholders are deemed as public shareholders.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.6 Subsidiaries

The details of our Subsidiaries are set out below:

Name and registered no.	Date / Place of incorporation	Principal place of business	Issued share capital (RM)	Effective equity interest (%)	Principal activities
DS Manufacturing ^(a) (200401010175 (648678-M))	12 April 2004 / Malaysia	Malaysia	2,400,000	100.00	Manufacture of corrugated paper packaging products
DS Packaging ^(a) (200301016198 (618618-W))	16 June 2003 / Malaysia	Malaysia	1,000,000	100.00	Manufacture of corrugated paper packaging products and supply of protective packaging products
Kaisung (200201010695 (578358-T))	26 April 2002 / Malaysia	Malaysia	500,000	100.00	Supply of protective packaging products

Note:

- (a) DS Manufacturing is primarily involved in the manufacturing of corrugated paper packaging product while DS Packaging is involved in both the manufacturing of corrugated paper packaging products as well as supply of other non-paper packaging products such as plastic, foam and rubber products.

6.2 SHARE CAPITAL INFORMATION ON OUR SUBSIDIARIES

6.2.1 DS Manufacturing

As at the LPD, the issued share capital of DS Manufacturing is RM2,400,000 comprising 2,400,000 DS Manufacturing Shares.

The changes in the issued share capital of DS Manufacturing during the Financial Years Under Review and up to the LPD are as follows:

Date of allotment	No. of DS Manufacturing Shares allotted	Consideration / Type of issue	Cumulative issued share capital	
			RM	No. of DS Manufacturing Shares
28 June 2021	1,900,000	RM1,900,000 / Otherwise than cash pursuant to capitalisation of amount owing to the shareholders	2,400,000	2,400,000

None of the DS Manufacturing Shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, DS Manufacturing does not have any outstanding warrants, options, convertible securities and uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.2 DS Packaging

As at the LPD, the issued share capital of DS Packaging is RM1,000,000 comprising 1,000,000 DS Packaging Shares. There has been no change in the issued share capital of DS Packaging for the Financial Years Under Review and up to the LPD.

None of the DS Packaging Shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, DS Packaging does not have any outstanding warrants, options, convertible securities and uncalled capital.

6.2.3 Kaisung

As at the LPD, the issued share capital of Kaisung is RM500,000 comprising 500,000 Kaisung Shares. There has been no change in the issued share capital of Kaisung for the Financial Years Under Review and up to the LPD.

None of the Kaisung Shares were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, Kaisung does not have any outstanding warrants, options, convertible securities and uncalled capital.

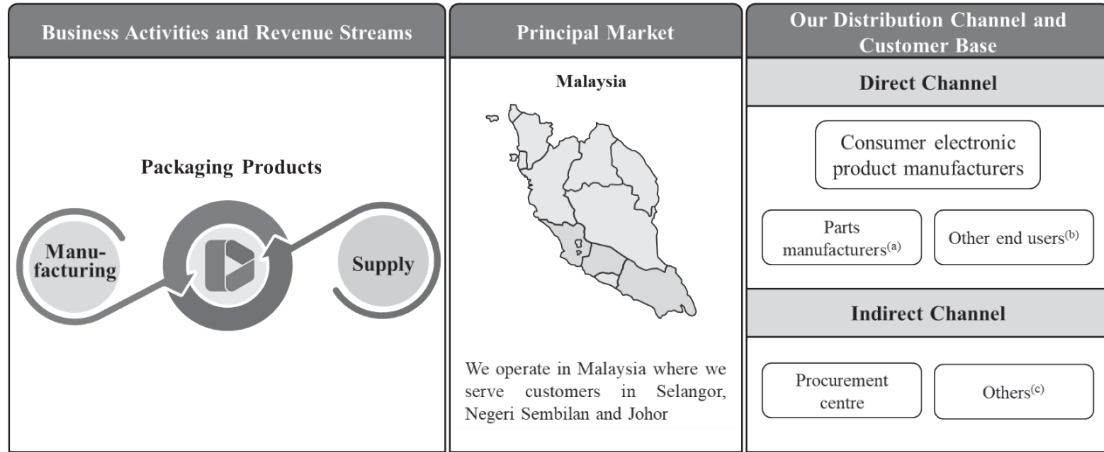
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6. INFORMATION ON OUR GROUP (Cont'd)

6.3 BUSINESS OVERVIEW

6.3.1 Our business model

Our business model is depicted in the following diagram:



Notes:

- (a) Include mainly manufacturers of precision metal parts, E&E parts and plastic parts.
- (b) Include manufacturers of gloves and fasteners.
- (c) Include paper and plastic packaging manufacturers, and providers of logistics and printing services.

6.3.1.1 Business activities and revenue streams

We are a packaging products provider with in-house manufacturing of corrugated paper packaging products including cartons, protective packaging and paper pallets. We also supply non-paper based protective packaging products such as plastic, foam and rubber products.

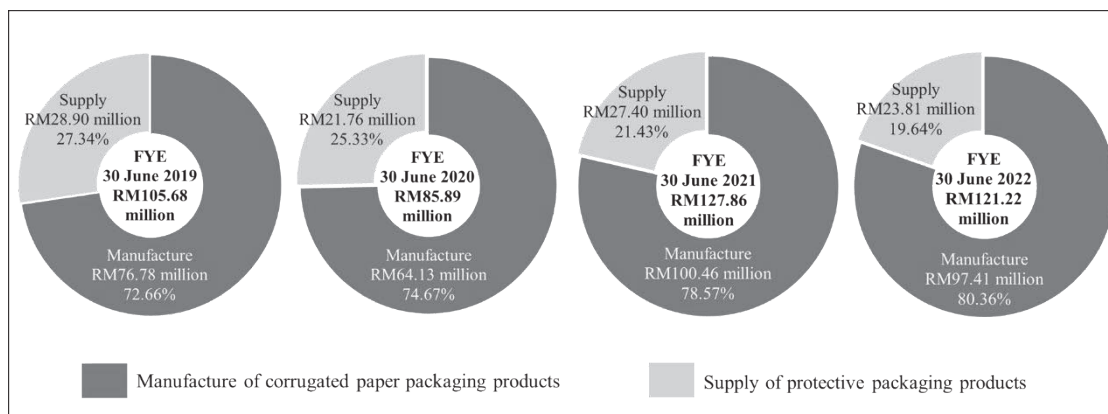
We focus on providing industrial and consumer durable goods packaging. Our industrial packaging refers to packaging of parts and components for the various stages of the manufacturing process. Some of these include metal, plastic, E&E parts and components. Meanwhile, our consumer durable goods packaging refers to the containment and protection of finished goods, such as television and microwave ovens, for handling, storage and transportation.

Our business involves the provision of total and partial packaging including sales of individual packaging items. In total packaging, we sell our packaging products as a complete set, which may comprise a combination of our in-house manufactured products such as corrugated cartons, protective packaging and paper pallets, as well as externally purchased non-paper based protective packaging materials. For partial packaging, part of the packaging materials is purchased by our customers separately to complement our packaging materials.

We also provide value-added services for some of our customers including the provision of front-end value-added services such as design support and packaging optimisation, as well as assembly and packing services.

6. INFORMATION ON OUR GROUP (Cont'd)

Our revenue segmentation by business activities are as follows:



Between FYE 30 June 2019 and FYE 30 June 2022, our total revenue grew by a CAGR of 4.68 %.

(i) Manufacture of corrugated paper packaging products

We manufacture corrugated paper packaging products including cartons, protective packaging and paper pallets. Our corrugated paper packaging products are made from industrial brown paper comprising testliner, kraftliner and corrugated medium that we purchase in the form of single and double wall corrugated boards. These corrugated boards are then used by us to manufacture corrugated cartons and protective packaging.

We manufacture various designs and sizes of corrugated cartons commonly with printing on the cartons. We also manufacture protective packaging which are largely for protecting items placed inside the carton such as trays, nesting, die-cut sheets and layer pads, as well as outside the cartons such as edge boards used for protecting the edges of multiple cartons stacked on a pallet. We also manufacture paper pallets which are lighter compared to wooden pallets. All our manufactured products are made from corrugated boards.

As at the LPD, our manufacturing of corrugated paper packaging products is supported by 3 units of flexographic printing machines, 1 unit of fully automated die-cut machine, 1 unit of automatic folding, stitching and gluing machine as well as several other machines to perform slotting, slitting, cutting, stitching and gluing.

Revenue contribution from the manufacture of corrugated paper packaging products accounted for 72.66% (RM76.78 million), 74.67% (RM64.13 million), 78.57% (RM100.46 million) and 80.36% (RM97.41 million) of our total revenue for the FYEs 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively. Between FYE 30 June 2019 and FYE 30 June 2022, manufacture of corrugated paper packaging products recorded a CAGR of 8.25%.

(ii) Supply of protective packaging products

To complement our in-house manufactured corrugated paper packaging products, we also supply a variety of non-paper based protective packaging products including the following:

- plastic products such as plastic and bubble sheets and bags, air cushion bags, stretch films and plastic trays;
- foam products such as sheets, bags, trays and expanded foam moulded products; and
- rubber products such as rubber stoppers.

6. INFORMATION ON OUR GROUP (Cont'd)

We supply these protective packaging products mainly together with our in-house manufactured corrugated paper packaging products as a complete or partial packaging set. In some situations, we sell protective packaging products on a stand-alone basis based on ad-hoc requests from customers.

These protective packaging products are sourced from suppliers based on design and specifications predetermined with the customers during the design and consultation phase, as well as generic designs and specifications which are common for many applications.

Some of these non-paper based protective packaging products are converted by us from bulk plastic or foam sheets where we will cut to size and seal the edges to make bags.

Revenue contribution from the supply of protective packaging products accounted for 27.34% (RM28.90 million), 25.33% (RM21.76 million), 21.43% (RM27.40 million) and 19.64% (RM23.81 million) of our total revenue for the FYEs 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively.

In addition to the above, we also provide value-added services to some customers as follows:

(a) Front-end value-added services

At the early stages of a new or enhanced packaging product, we assist and collaborate with our customers in space and cost optimisation relating to product packing and container loading efficiency.

In product packing efficiency, we are concerned with packing the maximum number of products within a carton while maintaining the required product protection and overall packed weight or other specifications, while minimising use of packaging materials. Cost savings will come from packing more products into each carton and / or using fewer packing materials.

Container loading efficiency, combines product packing efficiency with the design and dimension of the carton so as to maximise the overall number of cartons and thus, number of products that will ultimately fit into the whole container. Container loading efficiency is focused on maximising the use of space in the container which will also translate to lower cost of shipping per unit of product.

This service offered to customers forms part of our competitive advantage to secure contracts and develop customer loyalty.

(b) Assembly and packing services

We provide assembly and packing services where we assemble the die-cut cartons that we manufacture and pack our customers' products into the cartons. Packing the products into the cartons often includes using protective packaging such as inserting the products into plastic or foam bags, and placing them into other die-cut protective packaging material such as nesting within the carton.

Assembly and packing are highly manual, and we engage independent contractors to carry out these services at our customers' or their vendors' premises. In some situations, we assemble cartons with internal protective packaging at our factory premises before delivering them to our customers' premises.

Assembly and packing services are provided to customers based on their requirement, and the charges are built into our packaging product pricing. As such, we do not charge our customers a separate fee for this service.

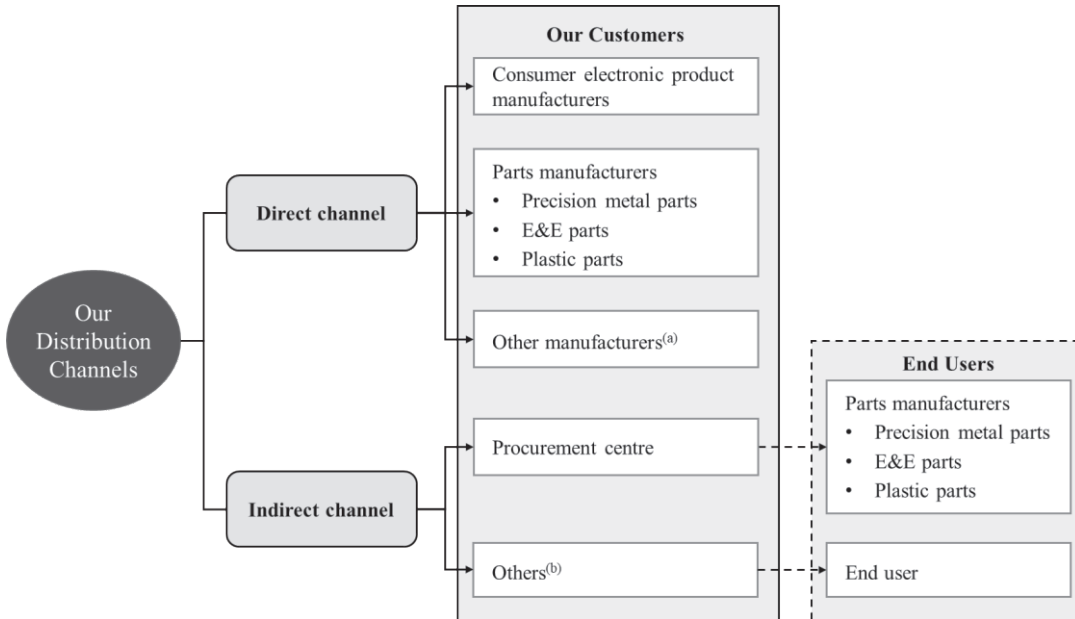
6. INFORMATION ON OUR GROUP (Cont'd)

6.3.2 Principal market

Our principal market is Malaysia where we derived all our revenue for the Financial Years Under Review and up to the LPD. Within Malaysia, we mainly serve customers located in Selangor, Negeri Sembilan and Johor.

6.3.3 Distribution channels and customer base

For the Financial Years Under Review, we have approximately 50 customers in each respective year. We utilise both direct and indirect distribution channel as depicted below:



Notes:

- (a) Include manufacturers of gloves and fasteners.
- (b) Include paper and plastic packaging manufacturers, and providers of logistics and printing services.

We mainly utilise direct distribution channel where we market and sell our packaging products directly to the end users of our packaging products. Our direct distribution channel strategy focuses on our sales and marketing activities directly with the ultimate end users, which enable us to work closely to meet their packaging and logistics needs. Our largest group of customers are our direct distribution channel consumer electronic product manufacturers who purchase our packaging products to package their finished goods, followed by parts manufacturers, namely precision, E&E and plastic parts manufacturers, as well as other manufacturers including glove and fastener manufacturers.

We also utilise indirect distribution channel where we market and sell our products to intermediaries including procurement centre, packaging manufacturers, and logistics and printing service providers. These intermediaries would then resell our packaging product to end users. For the Financial Years Under Review, we have 1 customer who is a procurement centre that purchases packaging products from us, and subsequently resell to its holding company’s vendors for their usage.

6. INFORMATION ON OUR GROUP (Cont'd)

For the Financial Years Under Review, our revenue segmented by type of customers are as follows:

	FYE 30 June							
	2019		2020		2021		2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct channel	65,831	62.29	56,953	66.31	97,567	76.31	97,828	80.70
Consumer electronic product manufacturer	57,689	54.59	50,986	59.36	72,336	56.58	67,439	55.63
Parts and other manufacturers ^(a)	8,142	7.70	5,967	6.95	25,231	19.73	30,389	25.07
Indirect channel	39,851	37.71	28,938	33.69	30,291	23.69	23,390	19.30
Procurement centre	39,288	37.18	28,209	32.84	28,816	22.54	21,571	17.80
Others ^(b)	563	0.53	729	0.85	1,475	1.15	1,819	1.50
Total revenue	105,682	100.00	85,891	100.00	127,858	100.00	121,218	100.00

Notes:

- (a) Include mainly manufacturers of precision metal parts, E&E parts, plastic parts, gloves and fasteners.
- (b) Include packaging manufacturers, and providers of logistics and printing services.

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6. INFORMATION ON OUR GROUP (Cont'd)

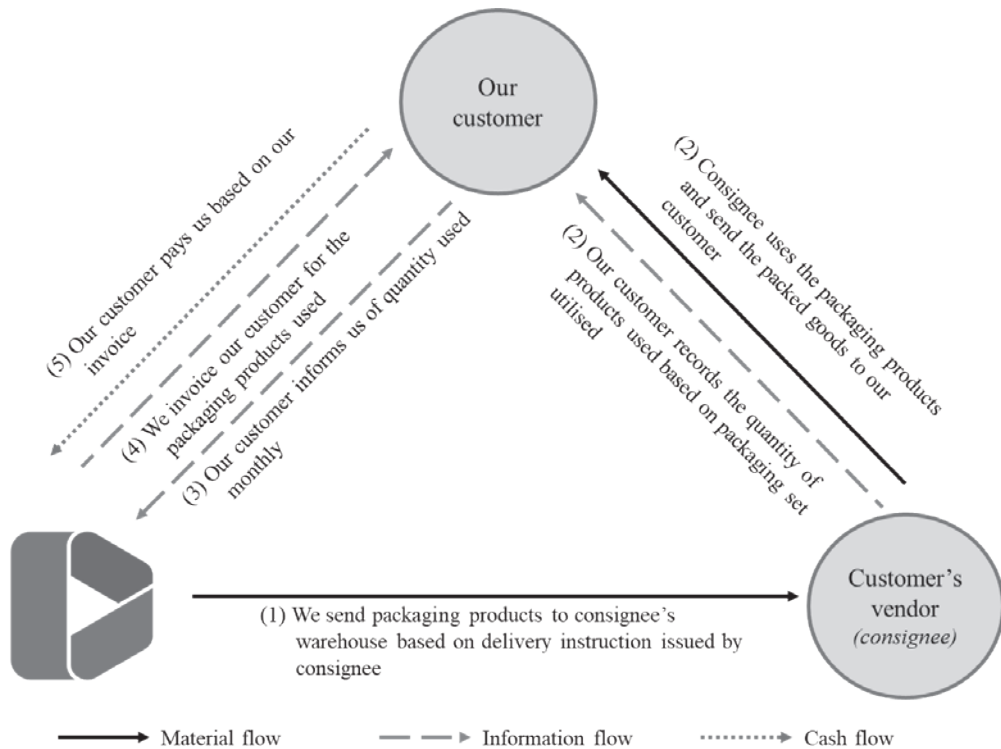
6.3.4 Modes of operation

We operate on two modes of operation:

(a) Consignment model

One of our modes of operation is based on a consignment model, where we store our packaging products at our customers' vendors' premises ("consignee") and they will use the packaging products as and when they require them.

For the Financial Years Under Review, 1 major customer with 16 consignees is based on this consignment model. Our packaging products supplied to the consignees are for the sole use of the said major customer.



The arrangement includes maintaining up to approximately 1 month of stocks at consignees' premises where stocks will be replenished based on issuance of delivery instructions from the respective consignees.

When the consignee utilises our packaging products and send the packed goods to our customer's destinations, our customer will keep a record of the number of packed products received, where each packed product represents the usage of 1 set of our packaging.

On a monthly basis, our customer will inform us of the quantity and type of packaging product used, which will form the basis for us to invoice our customer.

Any stocks that are more than 3 months old will be deemed as used by our customer and we will invoice our customer accordingly. In situation where the stocks are more than 3 months old and are due to additional packaging products requested by the consignee in excess of orders made by the customer, we will invoice the consignee accordingly after obtaining approval from the customer. The consignee will then make payment to us directly based on our invoice. For the Financial Years Under Review and up to the LPD, we did not encounter any disputes with our customer or the consignees in respect of the amount invoiced.

In view of the abovementioned arrangement, we do not have any obsolete stocks.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Outright sales model

Our outright sales model is based on lump sum purchase orders issued by our customers. Based on the purchase order, we will manufacture and / or procure the necessary packaging products and deliver them as per instructions. Invoices are issued upon delivery of our packaging products. We maintain an inventory level of 1 to 2 weeks at the warehouses which allows us to deliver the packaging products to our customers within 3 to 5 working days from the date of purchase order.

For customers which we provide assembly and packing services, the charges for providing such services are built into our packaging product pricing.

6.3.5 Packaging products

Packaging is a coordinated system of preparing goods for safe, secure, efficient and effective handling, transportation, distribution, storage, retailing and end-use. Packaging is also the medium to provide useful information about the content of the package, and for consumer-facing packaging, it is designed to appeal to consumers. We are involved in providing industrial and consumer durable goods packaging.

As a packaging products provider, we carry out the following processes to meet our customer's packaging needs:

- front-end value-added services;
- manufacturing of corrugated paper packaging products;
- supply of non-paper based protective packaging products including processing of plastic and foam bags; and
- assembly and packing services.

Please refer to Section 6.3.11 of this Prospectus for further details on the process flow of our business operations.

6.3.6 Front-end value-added services

For some customers, we carry out front-end value-added services in collaboration with our customers for packaging of new products or to improve packaging of existing products. Our front-end value-added services mainly involve packaging design and space optimisation aimed at achieving economical and efficient use of carton and shipping container space for storage and transportation. Packaging design refers to the process of creating the physical packaging form and this includes choices of materials, shapes and dimensions, as well as graphics, colours and fonts that are used on the packaging product. Space optimisation refers to the process of making the packaging more economical and efficient to the supply chain, including packing more products within a carton, and maximising the number of cartons that can be packed into a shipping container.

In most cases, our customer's packaging engineers would have designed and optimised the product packaging and we are only responsible for the creation of the mastercard to serve as the template for production purposes.

In cases where we collaborate with our customers in design and space optimisation, some of the activities that we carry out include the following:

- Design the packaging which uses the least number of materials while taking into consideration handling, storage and transportation conditions and achieving the necessary specifications and protection required. In this respect, customers will be able to save on unnecessary packaging materials which do not provide any added benefit.

6. INFORMATION ON OUR GROUP (Cont'd)

- Improving packing efficiency which includes optimising the use of space within a carton. In this respect, customers will be able to pack more items in each carton, thereby saving on overall storage, transportation and packaging material costs. This can be achieved by the following:
 - changing the packing configuration and layout of items within the carton using various format of protective packaging;
 - customising the interior protective packaging to minimise empty spaces while ensuring sufficient protection of the items within the carton; and
 - combining different items of different shapes and sizes to maximise the space within the carton and using appropriate protective packaging.

An example where we assisted a major customer to improve their packaging efficiency was by adding protective packaging and changing the internal packing configuration, thus doubling the number of items packed within the same carton.

- Improve container loading efficiency by maximising the number of cartons in a shipping container, thus saving on shipping costs. For sea transportation, sea freight rates are based on number of shipping containers. As such, packing more cartons into each shipping container will translate to using fewer shipping containers, thus achieving cost savings. Container loading efficiency can be achieved by:
 - changing the carton dimension (for example, longer, taller, or wider), to be able to fit more cartons in a container;
 - customising the paper pallet to suit the carton dimensions to fit in a container; and
 - combining different size palletised goods in a container.

In addition, we also take into consideration the following factors in our process of customising customer's packaging requirements:

- **Material handling system:** Packaging also takes into consideration material handling along the supply chain including packers of goods, handlers of the packaged goods as well as receivers of the packaged goods that will need to unpack the items inside the carton. For example, in the past, we have designed cartons and paper pallets that catered for a warehousing system that uses automated guided vehicles.
- **Packaging ergonomic:** It refers to packaging design that considers human health and safety in packing, handling and unpacking packaged goods. Some ergonomic considerations include the height, width and weight of each carton. For example, we have designed cartons that catered to taller workers in European countries to ensure that their unpacking tasks can be performed as close to a natural posture as possible to minimise workplace injury.
- **Product sensitivity:** Packaging also needs to consider the sensitivity of the product and effects from the environment such as static, temperature, moisture, humidity, dust and chemicals. For example, we supply anti-static packaging materials for electronic parts and components.

Front-end value-added services are offered to customers and forms part of our competitive advantage to secure purchase orders and develop customer loyalty. As such, we do not charge our customers a separate fee for this service. For the Financial Years Under Review, we provided packaging design and optimisation services to 4 of our major customers.