



**IPO STATISTICS**

IPO Price (RM)	0.55	Use of Proceed (RM50.15 million from new issue)	<b>Proceed Utilisation</b>	<b>RM million</b>
Fund Raised (RM million)	50.15 from new issue 21.13 from offer for sale <b>TOTAL: 71.28</b>		Expansion of operational facilities	17.20
Enlarged issued share capital upon listing (million shares)	480.00		Purchase of new machinery and equipment	16.00
IPO Market Capitalisation (RM million)	264.00		Establish packaging design and innovation centre	1.14
Price Earnings Ratio (PER)	12.56x		Repayment of bank borrowings	6.00
			Working capital	5.41
			Estimated listing expenses	4.40

**BUSINESS OVERVIEW**

Business Activities

DS Sigma is a packaging products provider based in Malaysia, focusing on providing industrial and consumer durable goods packaging. Headquartered in Selangor, DS Sigma operates 3 manufacturing facilities across Selangor and Negeri Sembilan. Its principal activities can be categorised as follow:

- **Manufacturing of corrugated paper packaging products** including cartons, protective packaging and paper pallets which are made from corrugated boards. The process was 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.
- **Supply of non-paper based protective packaging products** such as plastic, foams and rubber products to complement its corrugated paper packaging products as a complete or partial packaging set including sales of individual packaging items. These products are sourced based on design and specifications predetermined with the customers as well as generic designs which are common for many applications.

DS Sigma also offers front-end value-added services relating to product packing and container loading efficiency for space and cost optimisation, while taking into consideration handling, packaging ergonomic and product sensitivity. It also offers assembly and packing services upon customers' requirements.

Based on the breakdown of its FY2022 revenue, it predominantly serves domestic end users market comprises consumer electronic product manufacturers (55.63%) and parts manufacturers (precision, E&E and plastic) (25.07%), procurement centres (17.80%) as well as other manufacturers and services providers (1.50%).

Competitive Strength

- **Ability to serve as a convenient one-stop packaging centre** leveraging on its in-house manufacturing of corrugated board products, supply of packaging materials and provision of value-added services
- **Established track record of 20 years and developed long term customer relationships** where it has been dealing with its top 5 major customers for between 9 to 20 years since its business commenced.
- **Timely delivery of goods to customers and lean inventory management system** helps to build customer loyalty and generate recurrent sales.
- **Experienced management and technical team.**

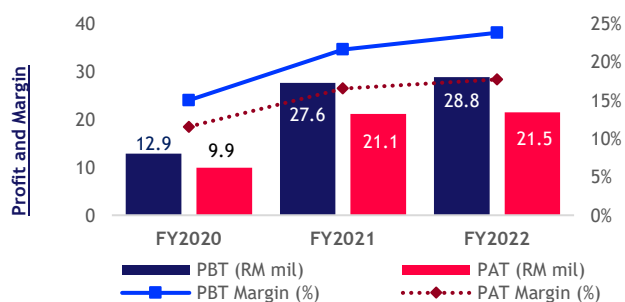
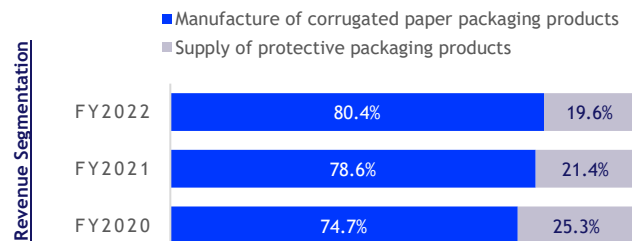
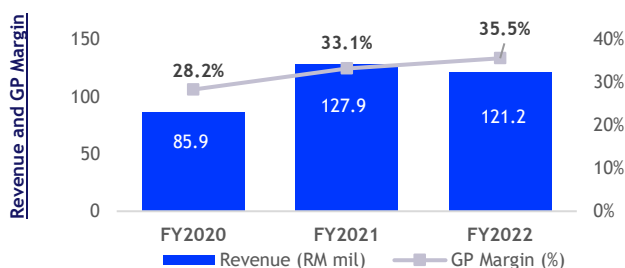
FY2022 Major Customers

Customer	Length of relationship (years)	% of total revenue
Samsung Electronics (Malaysia) Sdn Bhd	20	18.90
Sony EMCS (Malaysia) Sdn Bhd	9	18.86
Sony Supply Chain Solutions (Malaysia) Sdn Bhd	16	17.80
Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd	16	14.97
YH Precision (M) Sdn Bhd	19	5.11

**GROWTH STRATEGIES AND FUTURE PLANS**

- **Expand its operational facilities** to Penang to target new customers located in the northern region of Peninsular Malaysia as well as to establish a new head office and factory in Klang, Selangor.
- **Purchase of new machinery and equipment** including automated and robotic packing machines for its production lines, honeycomb board machines to produce paper pallets using honeycomb board and 6-colour flexographic printing machine for corrugated cartons.
- **Set up a packaging design and innovation centre** within its Klang Factories to develop ideas to solve customers' packaging issues or to provide innovative solutions.
- **Expand its target markets** to serve customers within the E&E industry focusing on the solar photovoltaic ("PV") and medical devices industry.

**FINANCIAL PERFORMANCE & PEER ANALYSIS**



Company	PAT Margin (%)	PER (x)
Muda Holdings Bhd	4.9	25.5
Magni-Tech Industries Bhd	9.3	7.9
Box-Pak (Malaysia) Bhd	Loss making	-
Ornapaper Bhd	1.6	12.7
Public Packages Holdings Bhd	12.0	4.5
Master-Pack Group Bhd	9.4	7.0
<b>DS Sigma Group</b>	<b>17.7</b>	<b>12.6</b>
HPP Holdings Bhd	9.9	16.1
KYM Holdings Bhd	4.3	7.0
Versatile Creative Bhd	Loss making	-

Note: Selected peers listed on Bursa Malaysia as identified in the Independent Market Research Report. PAT margin based on prospectus and annual report. Trailing 12 month PER data from Bloomberg at time of research except for DS Sigma PER at IPO.

## PROMOTERS & SUBSTANTIAL SHAREHOLDERS

Promoter/ Substantial Shareholder	Designation	Shareholding after IPO (%)	
		Direct	Indirect
Lucille Teoh Soo Lien	Promoter and substantial shareholder. Managing Director	5.18	61.00
Beh Seng Lee	Promoter and substantial shareholder. Executive Director	0.30	61.00
Beh Le Hao	Promoter. Executive Director	0.21	-
DS Kaizen Sdn Bhd	Substantial shareholder. Investment holding	61.00	-

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