



SUNMOW HOLDING BERHAD

(Registration No. 202001024626 (1380946-V))

(Incorporated in Malaysia under the Companies Act 2016)

ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2021

(Appendix 6A, Part B of the Leap Market Listing Requirements of Bursa Malaysia Securities Berhad)

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SUNMOW HOLDING BERHAD (“SUNMOW” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

This Additional Information is dated 29 April 2022

PART A – ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENT OF BURSA SECURITIES

1. REVIEW OF PERFORMANCE

The Group recorded revenue of RM65.01million for the financial year ended (“FYE”) 2021 which represents an increase of RM2.40 million or 3.83% compared to RM62.61million for the FYE 2020. The increase is mainly from the construction segment of the Group arising from provision of additional construction support for Sabah Sarawak mechanical pipelines maintenance project (“SSGP Project”) which commenced since 2nd half FYE 2020.

Gross profit (“GP”) increased by 32.72% from RM7.61million to RM10.11million for FYE 2021 as compared to FYE 2020, which was mainly contributed by the additional services provided in terms of machine support rental for the SSGP Project.

Profit before taxation (“PBT”) decreased by 21.64% from RM3.79 million to RM2.97 million in FYE 2021 as compared to FYE 2020 due to additional expenses incurred in relation to the listing of Sunmow Holding Berhad on the LEAP Market of Bursa Securities as well as increase in staff costs due to increase in headcount of management team.

2. PROSPECTS

The Board of Directors (the “Board”) is pleased to announce that the Group has recorded RM1.47 million profit after taxation for FYE 2021 after netting off one-off expenses into account, namely, Listing-related expenses and the share-gift amounted to RM1.68 million.

FYE 2021 has been a challenging year for the Group as the Covid-19 pandemic has caused territorial lockdown and workforce shortage which hampered the Group’s business operations and financial performance. Nonetheless, with the encouraging national vaccination policy and imminent border reopening plans by the Government, the Group is cautiously optimistic of the prospects for FYE 2022.

The launching of the expected maiden property development project namely My Residence 2 in Bintulu with expected gross development value (“**GDV**”) of RM58.93 million in Bintulu, My Residence 2, has brought a great success to SMD. The products were fully sold by end of March 2022. SMD also plans to launch two other property development projects within FYE 2022, namely Lot 262 Project and Lot 403 Project, with expected GDV of RM70.00 million and RM40.00 million, respectively. Management expects these projects to contribute positively to the profitability of the Group.

SMC continues to secure new contracts through direct negotiation with private project owners and open tenders. Challenges facing SMC are the volatile construction material prices and workers shortage. Management will continue to steer the business in a prudent manner.

The industrial wide surge in construction material prices is bringing great challenges to the Group. We are adopting a conservative management approach toward such a highly volatile raw material prices environment without compromising our product quality.

Barring unforeseen circumstances, the Board is cautiously optimistic for the Group's financial performance for the Year 2022.

PART B – OTHER INFORMATION

1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

2. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds from the subscription of Sunmow shares by pre-Listing investors of RM12.00 million is as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Estimated timeframe for utilisation upon Listing
Purchase of new construction machineries and equipment	3,026	-	3,026	Within 24 months
Working capital for construction projects	4,000	-	4,000	Within 24 months
Working capital for the Group	4,274	4,000	274	Within 12 months
Listing expenses	700	700	-	Immediate
Total	12,000	4,700	7,300	

(a) Utilisation as at 31 December 2021.

3. MATERIAL LITIGATION

There are no material litigations pending as at the date of this report.

4. DIVIDENDS

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any final dividend for the FYE 2021.