



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 2022

(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 28 April 2023

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 RM87.91 million for the FYE 2022 which represents an increase of RM22.90 million or 35.23% compared to RM65.01 million for the FYE 2021. The increase is mainly from the construction segment of the Group arising from the commencement of works on Glenary Park project in Bintulu and a multipurpose hall and resource centre in Miri for the Federation of Orang Ulu Association Sarawak Malaysia (“FORUM”). The property development segment of the Group also contributed to the increase in revenue with the property development project known as My Residence 2 located in Bintulu.

Gross profit (“GP”) increased by 47.87% from RM10.11 million to RM14.95 million for FYE 2022 as compared to FYE 2021, which was mainly due to minimal delays in construction project as foreign construction workers were more readily available in view of the lifting of Covid-19 restrictions as well as the increase in cost of construction materials being passed on to clients.

In view of the above, the profit before taxation (“PBT”) of the Group increased by 175.08% from RM2.97 million to RM8.17 million in FYE 2022 as compared to FYE 2021.

2. PROSPECTS

The Board is of the opinion that the stable political environment and continuous pro-business policies in Sarawak will instil confidence to investors for investment in Sarawak.

Furthermore, Sarawak is experiencing a fundamental transformation in its economic activities. Improvement in basic infrastructure such as highway, ports, tele communication etc will bring tremendous opportunity and additional prospects to its economy.

Bintulu, one of the key oil and gas towns, is benefiting from the influx of new mega projects and continuous support from existing economic activities. We are optimistic that the Group will benefit from this trend with the expected increase in population and demand for real estate in Bintulu.

In addition, the Group is exploring the viability to participate in Sabah economic activities given the increasingly conducive business environment there.

Barring any unforeseen circumstances, the Board is optimistic for the Group’s financial performance for the Year 2023.

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	1,874	1,152	Within 24 months
Working capital for construction projects	4,000	4,000	-	Within 24 months
Working capital for the Group	4,274	4,274	-	Within 12 months
Listing expenses	700	700	-	Immediate
Total	12,000	10,848	1,152	

(a) Utilisation as at 31 December 2022.

3. MATERIAL LITIGATION

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

4. DIVIDENDS

The Board of Directors has on 2 December 2022 declared a single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2022. The interim dividend amounting to RM3,509,100 was paid on 23 December 2022.