

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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.

The admission of Sunmow to the LEAP Market was advised by its Approved Adviser. This Circular has been reviewed by Sierac Corporate Advisers Sdn. Bhd., being the Approved Adviser to Sunmow for the Proposals (as defined herein).

Bursa Securities has not perused the contents of this Circular relating to the Proposed Amendments (as defined below) prior to its issuance and takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



SUNMOW HOLDING BERHAD
(Registration No. 202001024626 (1380946-V))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) PROPOSED NON-RENOUNCEABLE RIGHTS ISSUE OF UP TO 15,596,000 NEW REDEEMABLE PREFERENCE SHARES (“RPS”) (“RIGHTS RPS”) AT AN ISSUE PRICE OF RM0.50 PER RIGHTS RPS TOGETHER WITH UP TO 15,596,000 FREE DETACHABLE WARRANTS (“PROPOSED RIGHTS ISSUE OF RPS WITH WARRANTS”);**
- (II) PROPOSED PLACEMENT OF UP TO 30,000,000 NEW RPS (“PLACEMENT RPS”) AT AN ISSUE PRICE OF RM0.50 PER PLACEMENT RPS TO SOPHISTICATED INVESTOR(S) TO BE IDENTIFIED LATER (“PROPOSED PLACEMENT OF RPS”); AND**
- (III) PROPOSED AMENDMENTS TO THE EXISTING CONSTITUTION OF THE COMPANY TO FACILITATE THE CREATION AND ISSUANCE OF THE RIGHTS RPS AND PLACEMENT RPS (“PROPOSED AMENDMENTS”)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Approved Adviser



SIERAC CORPORATE ADVISERS SDN BHD
(Registration No. 200001013247 (515853-A))

The Notice of the extraordinary general meeting (“EGM”) together with the Proxy Form are enclosed in this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Proxy Form must be lodged at the Share Registrar’s office of the Company at Bina Management (M) Sdn Bhd at Lot 10, the Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form	: Wednesday, 26 June 2024 at 2.45p.m.
Date and time of the EGM	: Friday, 28 June 2024 at 2.45p.m.
Venue of the EGM	: The Sales Gallery of Sunmow Headquarter, F-G-01, Bintulu Paragon, Old Airport Place, 97000 Bintulu, Sarawak, Malaysia

This Circular is dated 6 June 2024

DEFINITIONS

Except where the context otherwise requires or defined herein, the following definitions shall apply throughout this Circular and the accompanying appendices:-

ACE LR	:	ACE Market Listing Requirements of Bursa Securities, as may be amended from time to time
Act	:	Companies Act 2016, as may be amended from time to time including any re-enactment thereof
Approved Adviser	:	An adviser authorised by Bursa Securities to carry out both the initial listing activities and post-listing activities for companies listed on the LEAP Market of Bursa Securities
BDA	:	Bintulu Development Authority
Board	:	Board of Directors of Sunmow
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to the shareholders of the Company dated 6 June 2024 in relation to the Proposals
CMSA	:	Capital Markets and Services Act 2007, as may be amended from time to time including any re-enactment thereof
Code	:	Malaysian Code on Take-Overs and Mergers 2016, as may be amended from time to time including any re-enactment thereof
Constitution	:	Constitution of the Company
Deed Poll	:	A document constituting the terms and conditions of the Warrants to be executed by Sunmow
Director	:	Has the meaning given in Section 2(1) of the CMSA
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of Sunmow whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	A date to be determined by the Board and announced by the Company, as at the close of business on which the shareholders of Sunmow must be registered in the Record of Depositors of the Company in order to be entitled to participate in the Proposed Rights Issue of RPS with Warrants
EPS	:	Earnings per Share
eSPA	:	A software system undertaken by the Sarawak government which provides the digital platform for submission of, among others, planning permissions for development of lands or buildings
FYE	:	Financial year ended/ending 31 December, as the case may be
Interested Person(s)	:	Director(s), major shareholder(s) or chief executive of the Company or person(s) connected to them
Issue Price	:	Issue price of RM0.50 per RPS
LEAP LR	:	LEAP Market Listing Requirements of Bursa Securities, as may be amended from time to time

DEFINITIONS (CONT'D)

LPD	:	13 May 2024, being the latest practicable date prior to the printing of this Circular
LTD	:	9 April 2024, being the last trading day immediately preceding the date of the announcement of the Proposals
Maximum Scenario	:	Assuming:- (a) all the Entitled Shareholders subscribe for their respective entitlements under the Proposed Rights Issue of RPS with Warrants; and (b) all of 30,000,000 Placement RPS are issued under the Proposed Placement of RPS.
Minimum Scenario	:	Assuming:- (a) none of the Entitled Shareholders subscribe for their respective entitlements under the Proposed Rights Issue of RPS with Warrants except the Undertaking Shareholders; and (b) none of the Placement RPS is issued under the Proposed Placement of RPS.
Minimum Subscription Level	:	The minimum subscription level fixed by the Board for the Proposed Rights Issue of RPS with Warrants whereby 13,086,712 Rights RPS together with 13,086,712 Warrants will be subscribed for and issued with minimum proceeds of approximately RM6.54 million to be raised
NA	:	Net assets
Official List	:	A list specifying all securities listed on the LEAP Market of Bursa Securities
PE Multiple	:	Price-to-earnings multiple
Placee(s)	:	Independent third-party sophisticated investor(s) who/which is specified as a sophisticated investor in the Guidelines on Categories of Sophisticated Investors issued by the Securities Commission Malaysia
Placement RPS	:	Up to 30,000,000 new RPS in Sunmow to be issued pursuant to the Proposed Placement of RPS
Proposals	:	Collectively, the Proposed Rights Issue of RPS with Warrants, Proposed Placement of RPS and Proposed Amendments
Proposed Amendments	:	Proposed amendments to the existing Constitution of Sunmow to facilitate the creation and issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS
Proposed Placement of RPS	:	Proposed issuance of up to 30,000,000 Placement RPS at the Issue Price to sophisticated investor(s) to be identified later
Proposed Rights Issue of RPS with Warrants	:	Proposed non-renounceable rights issue of up to 15,596,000 Rights RPS at the Issue Price together with up to 15,596,000 Warrants on the basis of one (1) Rights RPS for every fifteen (15) existing Sunmow Shares held on the Entitlement Date together with one (1) Warrant for every one (1) Rights RPS subscribed
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
Rights RPS	:	Up to 15,596,000 new RPS in Sunmow to be issued pursuant to the Proposed Rights Issue of RPS with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
RPS	:	Redeemable preference shares comprising the Rights RPS and Placement RPS
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as may be amended from time to time including any re-enactment thereof

DEFINITIONS (CONT'D)

Rules of Depository	Bursa	:	Rules of Bursa Malaysia Depository Sdn Bhd
SCA		:	Sierac Corporate Advisers Sdn Bhd (Registration No. 200001013247 (515853-A))
Sunmow or Company		:	Sunmow Holding Berhad (Registration No. 202001024626 (1380946-V))
Sunmow Group or Group		:	Sunmow and its subsidiaries, collectively
Sunmow Shares or Shares		:	Ordinary shares in Sunmow
Undertaking		:	Collectively, the irrevocable written undertakings dated 1 April 2024 from the Undertaking Shareholders to subscribe for a total of 13,086,712 Rights RPS based on their respective entitlements under the Proposed Rights Issue of RPS with Warrants
Undertaking Shareholders		:	Collectively, Mr. Kong Chiong Miew, Mr. Kong Chiong Ung, Bene Sky Sdn Bhd and Mr. Lee Yew Chen, the substantial shareholders of Sunmow
Warrant(s)		:	Up to 15,596,000 free detachable warrants to be issued pursuant to the Proposed Rights Issue of RPS with Warrants
Warrants Exercise Price		:	Exercise price of RM0.60 per Warrant

All references to “our Company” in this Circular are to Sunmow, and references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and, where the context otherwise requires, shall include our subsidiaries.

All references to “you” in this Circular are to the shareholders of the Company.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any legislation or guideline is a reference to that legislation or guideline as amended or re-enacted from time-to-time. Any reference to time and date in this Circular is a reference to Malaysian time and date, unless otherwise stated. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are, unless otherwise explained, due to rounding. “RM” and “sen” refer to Ringgit Malaysia and sen respectively.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	v
LETTER TO SHAREHOLDERS OF SUNMOW IN RELATION TO THE PROPOSALS	
1 INTRODUCTION	1
2 DETAILS OF THE PROPOSALS	2
3 UTILISATION OF PROCEEDS	9
4 RATIONALE FOR THE PROPOSALS	14
5 INDUSTRY OVERVIEW AND OUTLOOK	14
6 EFFECTS OF THE PROPOSALS	16
7 PREVIOUS FUND-RAISING EXERCISES	21
8 CONDITIONALITY	21
9 HISTORICAL SHARE PRICES	21
10 APPROVALS REQUIRED	22
11 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM	22
12 DIRECTORS' STATEMENT AND RECOMMENDATION	22
13 ESTIMATED TIMEFRAME FOR COMPLETION	23
14 CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	23
15 EGM	23
16 FURTHER INFORMATION	23
APPENDICES	
I INDICATIVE SALIENT TERMS OF THE RIGHTS RPS AND PLACEMENT RPS	
II DETAILS OF THE PROPOSED AMENDMENTS	
III FURTHER INFORMATION	
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

Key information	Summary	Reference to this Circular
Summary of the Proposals	<p>Sunmow proposes to undertake the following:-</p> <p>(a) <u>Proposed Rights Issue of RPS with Warrants</u></p> <p>The Proposed Rights Issue of RPS with Warrants entails the non-renounceable rights issue of up to 15,596,000 Rights RPS at the Issue Price together with up to 15,596,000 Warrants on the basis of one (1) Rights RPS for every fifteen (15) existing Sunmow Shares held by the Entitled Shareholders on the Entitlement Date together with one (1) Warrant for every one (1) Rights RPS subscribed.</p> <p>The Proposed Rights Issue of RPS with Warrants is non-renounceable in accordance with Rule 5.09 of the LEAP LR.</p> <p>For the avoidance of doubt, the Warrants attached to the Rights RPS are issued without any cost to the Entitled Shareholders and will be issued only to the Entitled Shareholders who subscribe for the Rights RPS. The Warrants will be immediately detached from the Rights RPS upon allotment and issuance and will be traded separately on the LEAP Market of Bursa Securities.</p> <p>The Proposed Rights Issue of RPS with Warrants is intended to be undertaken on a minimum subscription basis under the Minimum Subscription Level to meet the funding requirements of Sunmow Group as set out in Section 3 of this Circular. To meet the Minimum Subscription Level, Sunmow has procured the Undertaking from the Undertaking Shareholders for the Proposed Rights Issue of RPS with Warrants.</p> <p>The indicative salient terms of the Rights RPS are set out in Appendix I of this Circular and the indicative salient terms of the Warrants are set out in Section 2.1.8 of this Circular.</p> <p>(b) <u>Proposed Placement of RPS</u></p> <p>The Proposed Placement of RPS entails the issuance of up to 30,000,000 Placement RPS at the Issue Price which are intended to be placed out to the Placee(s) to be identified at a later date.</p> <p>The indicative salient terms of the Placement RPS are set out in Appendix I of this Circular.</p> <p>(c) <u>Proposed Amendments</u></p> <p>The Proposed Amendments entails the consequential amendments to the existing Constitution of the Company to facilitate the creation and issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS.</p>	Section 2

EXECUTIVE SUMMARY (CONT'D)

Key information	Summary	Reference to this Circular
<p>Utilisation of proceeds</p>	<p>The Company intends to utilise up to approximately RM22.35 million of the proceeds to fund the Group's new property development projects, which include payment to contractors, consultants and suppliers as well as payment to the relevant authorities, the breakdown of which cannot be determined at this juncture and is dependent on the progress of the projects at the material time.</p> <p>The balance funding requirements for the property development projects will be met via progressive sales billings to be received, internally generated funds and/or bank borrowings, the breakdown of which have not been determined at this juncture.</p> <p>Based on the Warrants Exercise Price, the exercise of the Warrants will raise up to RM7.85 million under the Minimum Scenario or RM9.36 million under the Maximum Scenario. The actual quantum of gross proceeds to be raised from the exercise of the Warrants is dependent on the actual number of Warrants exercised during the Warrants Exercise Period. As and when the Warrants are exercised, the proceeds raised will be used as working capital for the Group.</p>	<p>Section 3</p>
<p>Rationale for the Proposals</p>	<p>(a) <u>Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS</u></p> <p>The Company intends to raise proceeds to be used in the manner as set out in Section 3 of this Circular. The Board, after due consideration of the various options available, is of the opinion that the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS are the most suitable means of fundraising for Sunmow as compared to other options available for the following reasons:-</p> <ul style="list-style-type: none"> (i) they enable the Company to raise the requisite proceeds expeditiously without incurring interest costs associated with bank borrowings, thereby minimising any potential cash outflow arising from interest servicing costs; (ii) they will also minimise the immediate dilution effect on the earnings of the Company which would otherwise arise from the issuance of ordinary shares; and (iii) the Warrants attached to the Rights RPS are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights RPS. In addition, the Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised. <p>(b) <u>Proposed Amendments</u></p> <p>The Proposed Amendments is undertaken to facilitate the creation and issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS.</p>	<p>Section 4</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Summary	Reference to this Circular
Approvals required	<p>The Proposals are subject to the following approvals being obtained:-</p> <p>(i) Bursa Securities for the following:-</p> <p>(a) admission to the Official List and listing and quotation of up to 45,596,000 RPS (comprising up to 15,596,000 Rights RPS and up to 30,000,000 Placement RPS) to be issued pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS;</p> <p>(b) admission to the Official List and listing and quotation of up to 15,596,000 Warrants to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and</p> <p>(c) listing and quotation of up to 15,596,000 new Sunmow Shares to be issued arising from the exercise of the Warrants;</p> <p>(ii) shareholders of Sunmow at the EGM to be convened for the Proposals; and</p> <p>(iii) any other relevant authorities and/or parties, if required.</p>	Section 10
Parties involved and the element of conflict of interests	<p>None of the Directors, major shareholders of Sunmow and/or persons connected to them have any interest, direct or indirect, in the Proposals, other than their respective entitlements to subscribe for the Rights RPS under the Proposed Rights Issue of RPS with Warrants as shareholders of Sunmow, for which all other shareholders of Sunmow are entitled to.</p>	Section 11
Directors' statement and recommendation	<p>The Board, after having considered all aspects of the Proposals, including but not limited to the funding requirements of the Group, the proposed manner of utilisation of the proceeds of the Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.</p>	Section 12

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SUNMOW HOLDING BERHAD
(Registration No. 202001024626 (1380946-V))
(Incorporated in Malaysia)

Registered Office:

No. 5-1, Jalan Radin Bagus 9
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Wilayah Persekutuan, Malaysia

6 June 2024

Board of Directors

Kong Chiong Miew (*Executive Chairman*)
Kong Chiong Ung (*Group Managing Director*)
Lee Yew Chen (*Executive Director*)
Kio Fook Khan (*Non-Independent Non-Executive Director*)

To: The shareholders of Sunmow Holding Berhad

Dear Sir / Madam,

**(I) PROPOSED RIGHTS ISSUE OF RPS WITH WARRANTS;
(II) PROPOSED PLACEMENT OF RPS; AND
(III) PROPOSED AMENDMENTS
(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

1. INTRODUCTION

On 12 April 2024, SCA had, on behalf of the Board, announced that the Company proposes to undertake the Proposals. On 15 May 2024, SCA had, on behalf of the Board, made an announcement in relation to the change of terms of the Placement RPS.

On 29 May 2024, SCA had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 29 May 2024 taken note of the following:-

- (a) admission to the Official List and listing and quotation of up to 45,596,000 RPS (comprising up to 15,596,000 Rights RPS and up to 30,000,000 Placement RPS) to be issued pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS;
- (b) admission to the Official List and listing and quotation of up to 15,596,000 Warrants to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and
- (c) listing and quotation of up to 15,596,000 new Sunmow Shares to be issued arising from the exercise of the Warrants.

The admission and listing and quotation of the RPS and the Warrants to be issued pursuant to the Proposals, as well as the listing and quotation of the new Sunmow Shares to be issued pursuant to the exercise of the Warrants, are subject to the conditions as set out in Section 10 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS, TO SET OUT THE BOARD’S RECOMMENDATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF SUNMOW. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1. DETAILS OF THE PROPOSED RIGHTS ISSUE OF RPS WITH WARRANTS

The Proposed Rights Issue of RPS with Warrants entails the non-renounceable rights issue of up to 15,596,000 Rights RPS at the Issue Price together with up to 15,596,000 Warrants on the basis of one (1) Rights RPS for every fifteen (15) existing Sunmow Shares held by the Entitled Shareholders on the Entitlement Date together with one (1) Warrant for every one (1) Rights RPS subscribed. The basis for the allotment ratio of one (1) Rights RPS for every fifteen (15) existing Sunmow Shares is arrived at after taking into consideration, among others, the following:-

- (i) the rationale for the Proposals as set out in Section 4 of this Circular;
- (ii) the Issue Price of the Rights RPS; and
- (iii) the funding requirements of Sunmow Group as set out in Section 3 of this Circular.

The Entitlement Date will be determined by the Board after obtaining the approvals for the Proposed Rights Issue of RPS with Warrants from all relevant authorities and the shareholders of the Company.

As at the LPD, the Company has 233,940,000 Shares in issue. The actual number of Rights RPS and Warrants to be issued will be determined based on the number of Rights RPS subscribed by the Entitled Shareholders, as set out in this Circular. As at the LPD, the Company does not have any treasury shares.

The Warrants attached to the Rights RPS will be issued without any cost to the Entitled Shareholders based on their respective entitlements under the Proposed Rights Issue of RPS with Warrants and upon the acceptance and subscription of the Rights RPS.

2.1.1. Renunciation of the Rights RPS

The Proposed Rights Issue of RPS with Warrants is non-renounceable in accordance with Rule 5.09 of the LEAP LR.

2.1.2. Entitlements to the Rights RPS with Warrants

The Rights RPS will be provisionally allotted to the Entitled Shareholders. In determining shareholders' entitlements under the Proposed Rights Issue of RPS with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company.

For the avoidance of doubt, the Warrants attached to the Rights RPS are issued without any cost to the Entitled Shareholders and will be issued only to the Entitled Shareholders who subscribe for the Rights RPS. The Warrants will be immediately detached from the Rights RPS upon allotment and issuance and will be traded separately on the LEAP Market of Bursa Securities.

2.1.3. Minimum Subscription Level

The Proposed Rights Issue of RPS with Warrants is intended to be undertaken on a minimum subscription basis under the Minimum Subscription Level to meet the funding requirements of Sunmow Group as set out in Section 3 of this Circular.

To meet the Minimum Subscription Level, Sunmow has procured the Undertaking from the Undertaking Shareholders for the Proposed Rights Issue of RPS with Warrants as set out below:-

Undertaking Shareholders	Direct shareholdings in Sunmow as at LPD		Entitlements under the Proposed Rights Issue of RPS with Warrants				No. of Rights RPS undertaken to subscribe	Amount to be raised
	No. of Shares	%	No. of Rights RPS	%	No. of Warrants	%	No. of Rights RPS	RM
Kong Chiong Miew	102,515,400	43.82	6,834,360	43.82	6,834,360	43.82	6,834,360	3,417,180
Kong Chiong Ung	67,369,300	28.80	4,491,286	28.80	4,491,286	28.80	4,491,286	2,245,643
Bene Sky Sdn Bhd	18,994,000	8.12	1,266,266	8.12	1,266,266	8.12	1,266,266	633,133
Lee Yew Chen	7,422,000	3.17	494,800	3.17	494,800	3.17	494,800	247,400
	196,300,700	83.91	13,086,712	83.91	13,086,712	83.91	13,086,712	6,543,356

The Undertaking provided by the Undertaking Shareholders reflects their commitment and confidence in growing the Group's business and their support in undertaking the Proposed Rights Issue of RPS with Warrants. Accordingly, the Undertaking Shareholders have confirmed that they have sufficient financial means and resources to fulfil the Undertaking and SCA, being the Approved Adviser, has verified the said confirmation.

The Undertaking Shareholders have also confirmed that:-

- (a) upon completion of the Proposed Rights Issue of RPS with Warrants, the resultant shareholdings of the Undertaking Shareholders will not give rise to any consequences of mandatory take-over obligation under the Code and the Rules; and
- (b) they will at all times observe and ensure compliance with the provisions of the Code and the Rules and will seek the necessary exemptions from undertaking such mandatory take-over offer, if required.

In view of the Undertaking, underwriting arrangement will not be required for the Proposed Rights Issue of RPS with Warrants.

2.1.4. Basis of and justification for arriving at the Issue Price of the Rights RPS and the Warrants Exercise Price

(a) Issue Price of the Rights RPS

The Issue Price of the Rights RPS was determined by the Board after taking into consideration the following:-

- (i) the funding requirements of Sunmow Group as set out in Section 3 of this Circular;
- (ii) the rationale for the Proposals as set out in Section 4 of this Circular;
- (iii) the dividend rate at 4.5% per annum on the Issue Price of the Rights RPS; and
- (iv) the tenure of the Rights RPS which is two (2) years.

The Board is of the view that the Issue Price of the Rights RPS is fair and reasonable after taking into consideration the dividend rate represented by the Issue Price of the Rights RPS being reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements under the Proposed Rights Issue of RPS with Warrants. Relevant tax on the dividend, if any, is to be borne by the Rights RPS holders. The Issue Price of the Rights RPS together with the total number of Rights RPS to be issued pursuant to the Proposed Rights Issue of RPS with Warrants is sufficient to meet the Group's funding requirements as set out in Section 3 of this Circular.

(b) Warrants Exercise Price

The Warrants Exercise Price represents a discount of approximately 41.75% to the theoretical ex-rights price of Sunmow Shares based on the closing market price of Sunmow Shares as at the LTD, of RM1.03.

The management of Sunmow has assessed the implied PE Multiple of the Warrants Exercise Price against the PE Multiple of comparable companies as at the LPD, as shown in the table below:-

Comparable companies	PE Multiple
TRC Synergy Berhad	8.56
Inta Bina Group Berhad	8.32
Mitrajaya Holdings Berhad	14.63
MN Holdings Berhad	27.53
GDB Holdings Berhad	29.18
Average	17.64
Median	14.63
Minimum	8.32
Maximum	29.18
Implied PE Multiple of the Warrants Exercise Price	16.44

(Source: Bloomberg)

The Board is of the view that the Warrants Exercise Price is fair and reasonable after taking into consideration that the Warrants will be issued at no cost to the Entitled Shareholders and the implied PE Multiple of approximately 16.44 times (calculated based on the Warrants Exercise Price and audited EPS of 3.65 sen of Sunmow Group for the FYE 2023), which is lower than the average and within the range of the PE Multiple of the comparable companies as at the LPD. In addition, the Warrants Exercise Price is approximately 2.86 times of the NA per Share of RM0.21 based on the audited financial statements of Sunmow Group for the FYE 2023.

2.1.5. Ranking of the Rights RPS and new Sunmow Shares to be issued arising from the exercise of the Warrants

The Rights RPS shall, upon full payment of the Issue Price of the Rights RPS, allotment and issuance, rank equally in all respects without any preference or priority among themselves and the Placement RPS, and will rank in priority to Sunmow Shares.

The new Sunmow Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Sunmow Shares except that the holders of such new Sunmow Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company prior to the relevant date of allotment and issuance of the new Sunmow Shares arising from the exercise of the Warrants.

The Warrant holders will not be entitled to any voting rights or any right to participate in any form of distribution and/or offer of further securities in Sunmow until and unless the Warrant holders exercise their Warrants into new Sunmow Shares.

2.1.6. Listing of and quotation for the Rights RPS, Warrants and new Sunmow Shares to be issued arising from the exercise of the Warrants

Bursa Securities had vide its letter dated 29 May 2024 taken note of the following:-

- (a) admission to the Official List and listing and quotation of up to 15,596,000 Rights RPS to be issued pursuant to the Proposed Rights Issue of RPS with Warrants;
- (b) admission to the Official List and listing and quotation of up to 15,596,000 Warrants to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and
- (c) listing and quotation of up to 15,596,000 new Sunmow Shares to be issued arising from the exercise of the Warrants.

2.1.7. Indicative salient terms of the Rights RPS

The indicative salient terms of the Rights RPS are set out in Appendix I of this Circular.

2.1.8. Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are as follows:-

<u>Terms</u>	<u>Details</u>
Issuer	: Sunmow
Issue Size	: Up to 15,596,000 Warrants
Form and Detachability	: The Warrants will be issued at no cost to the Entitled Shareholders. The Warrants which are to be issued pursuant to the Proposed Rights Issue of RPS with Warrants will be immediately detached from the Rights RPS upon allotment and issuance and will be traded separately on the LEAP Market of Bursa Securities.
Warrants Exercise Price	: RM0.60 per Warrant, being the amount payable for every new Sunmow Share to be subscribed pursuant to exercise of a Warrant.
Warrants Expiry Date	: At the close of business at 5.00 p.m. (Malaysia time), on the date immediately preceding the fourth (4 th) anniversary commencing from and inclusive of the date of the first issuance of the Warrants and if such a day is not a market day, then it shall be the market day immediately preceding the said non-market day.
Warrants Exercise Period	: The Warrants may be exercised at any time during the tenure of four (4) years commencing from and including the date of the first issuance of the Warrants until the close of business at 5.00 p.m. (Malaysia time) on the Warrants Expiry Date. Any Warrants not exercised during the Warrants Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Rights	: Each Warrant shall entitle its registered holder to subscribe for one (1) new Sunmow Share at any time during the Warrants Exercise Period at the Warrants Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Mode of Exercise	: The registered holders of Warrants are required to lodge an exercise form, as set out in the Deed Poll, with the Company's share registrar, duly completed and signed together with payment of the Warrants Exercise Price by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or by way of internet bank transfer when exercising their Warrants to subscribe for new Shares, in accordance with the provisions of the Deed Poll (proof of payment to be attached

Terms

Details

	to the exercise form, and to be submitted together to the share registrar of the Company). The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the Warrants Exercise Price and/or number of Warrants	: The Warrants Exercise Price and/or number of unexercised Warrants may be adjusted by the Board, in consultation with the auditors of the Company and/or the Approved Adviser and certified by the auditors, in the event of alteration to the share capital of the Company, capital distribution or issuance of shares or any other events in accordance with the provisions of the Deed Poll.
Ranking of new Sunmow Shares to be issued arising from the exercise of the Warrants	: All new Sunmow Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Sunmow Shares save and except that such new Sunmow Shares shall not be entitled to any dividends, rights, allotments, and/or other distributions which may be declared, made or paid to Sunmow's ordinary shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Sunmow Shares arising from the exercise of the Warrants.
Rights of the Warrant holders	: The Warrant holders are not entitled to any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants into new Sunmow Shares.
Rights of the Warrant holders in the event of winding-up, liquidation, compromise and/or scheme of arrangement	<p>Where a resolution has been passed for a member's voluntary winding-up of the Company or liquidation, or where there is a compromise or scheme of arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-</p> <ul style="list-style-type: none">(a) the Company shall give notice to the Warrant holders within 21 market days of such a resolution or the court order approving the winding-up, liquidation, compromise or scheme of arrangement (as the case may be);(b) for the purpose of such winding-up, liquidation, compromise or scheme of arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some other persons designated by them for such purposes by a special resolution of the Warrant holders will be a party, the terms of such winding-up, liquidation, compromise or scheme of arrangement will be binding on all the Warrant holders; and(c) every Warrant holder shall be entitled to exercise his Warrants at any time within 6 weeks after the passing of such resolution for a member's voluntary winding-up of the Company or within 6 weeks after the granting of the court order approving the winding-up, liquidation, compromise or scheme of arrangement (as the case may be), and shall be treated as if he had exercised the Warrants immediately prior to the commencement of such winding-up, liquidation, compromise or scheme of arrangement whereupon the Company shall allot the relevant new Sunmow Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the new Sunmow Shares to which he would have become entitled pursuant to such exercise, and the liquidator of the Company will give effect to such election accordingly. All exercise rights which were not exercised within

<u>Terms</u>	<u>Details</u>
	the above 6 weeks shall lapse and cease to be valid for any purpose.
Modification of rights of the Warrant holders	<p>Save as expressly provided in the Deed Poll, no modification, amendment, alteration, abrogation, deletion or addition may be made to the rights of the Warrant holders and/or provisions of the Deed Poll without the sanction of a special resolution of the Warrant holders unless such modification, amendment, alteration, abrogation, deletion or addition is required to correct any manifest/typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws and regulations of Malaysia or in the opinion of the Company upon consultation with an approved adviser appointed by the Company, will not be materially prejudicial to the interests of the Warrant holders.</p> <p>Subject to the approval of Bursa Securities (if so required), any modification, amendment, alteration, abrogation, deletion or addition to the terms and conditions of the Deed Poll may only be effected by a deed poll executed by the Company and expressed to be supplemental to the Deed Poll.</p> <p>The Company must notify the Warrant holders in the manner as prescribed in the Deed Poll of any modification, amendment, alteration, abrogation, deletion or addition to the Deed Poll within 21 market days of such modification, amendment, deletion or addition, or such other time period as may be prescribed by Bursa Securities or such other relevant authorities from time to time.</p>
Board lot	: The Warrants are tradeable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.
Listing	: The Warrants will be listed and quoted on the Official List.
Transferability	: The Warrants may be transferable in accordance with the provisions of the Deed Poll, subject always to the Rules of Bursa Depository and the provisions of the Securities Industry (Central Depositories) Act 1991.
Deed Poll	: The Warrants shall be constituted by the Deed Poll.
Governing Law	: Laws of Malaysia.

2.2. Details of the Proposed Placement of RPS

The Proposed Placement of RPS entails the issuance of up to 30,000,000 Placement RPS at the Issue Price which are intended to be placed out to the Placee(s) to be identified at a later date.

The Placement RPS are not intended to be placed to the following persons:-

- (i) Interested Persons; and
- (ii) a nominee corporation, unless the names of the ultimate beneficiaries are disclosed.

Subject to, among others, the prevailing market conditions and the timing of identification of the Placee(s), the Proposed Placement of RPS may be implemented in one (1) or more tranches within a period of six (6) months from the date the application for listing of the Placement RPS is approved by Bursa Securities.

The implementation of the Proposed Placement of RPS in multiple tranches would provide flexibility to the Company to procure interested investor(s) to subscribe for the Placement RPS within the approved period.

2.2.1. Basis of and justification for arriving at the Issue Price for the Placement RPS

The Issue Price of the Placement RPS is determined by the Board after taking into consideration the following:-

- (i) the funding requirements of Sunmow Group as set out in Section 3 of this Circular;
- (ii) the rationale for the Proposals as set out in Section 4 of this Circular;
- (iii) the dividend rate at 4.5% per annum on the Issue Price of the Placement RPS; and
- (iv) the tenure of the Placement RPS which is two (2) years.

The Board is of the view that the Issue Price of the Placement RPS is fair and reasonable after taking into consideration the dividend rate represented by the Issue Price being reasonably attractive to encourage the Placee(s) to subscribe for the Placement RPS. Relevant tax on the dividend, if any, is to be borne by the Placement RPS holders.

2.2.2. Ranking of the Placement RPS

The Placement RPS shall, upon full payment of the Issue Price of the Placement RPS, allotment and issuance, rank equally in all respects without any preference or priority among themselves and the Rights RPS, and will rank in priority to the Sunmow Shares.

2.2.3. Listing of and quotation for the Placement RPS

Bursa Securities had vide its letter dated 29 May 2024 taken note of the admission to the Official List and listing and quotation of up to 30,000,000 Placement RPS to be issued pursuant to the Proposed Placement of RPS.

2.2.4. Indicative salient terms of the Placement RPS

The indicative salient terms of the Placement RPS are set out in Appendix I of this Circular.

2.3. Details of the Proposed Amendments

The Proposed Amendments entails the consequential amendments to the existing Constitution of the Company to facilitate the creation and issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS.

Please refer to Appendix II of this Circular for further details on the Proposed Amendments.

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3. UTILISATION OF PROCEEDS

For illustration purposes, based on the Issue Price, the gross proceeds to be raised under the Minimum Scenario and Maximum Scenario will be utilised in the following manner:-

<u>Utilisation</u>	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>	<u>Expected timeframe for utilisation from date of receipt of proceeds</u>
	RM	RM	
Funding for new property development projects ⁽ⁱ⁾	6,243,356	22,348,000	Within 12 months
Estimated expenses relating to the Proposals	⁽ⁱⁱ⁾ 300,000	⁽ⁱⁱⁱ⁾ 450,000	Within 6 months
Total estimated proceeds	<u>6,543,356</u>	<u>22,798,000</u>	

Notes:-

- (i) *The Company intends to utilise up to approximately RM22.35 million of the proceeds to fund the Group's new property development projects, which include payment to contractors, consultants and suppliers as well as payment to the relevant authorities, the breakdown of which cannot be determined at this juncture and is dependent on the progress of the projects at the material time.*

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The details of the new property development projects of Sunmow Group are set out in the table below:-

<i>Project location</i>	<i>Estimated gross development value RM'million</i>	<i>Details of the projects*</i>	<i>Estimated launch date*</i>	<i>Expected completion date (based on the estimated launch date)</i>	<i>Current status as at the LPD</i>
(a) <i>Lot 521, Kemena Land District, Bintulu, Sarawak</i>	86.43	<i>Residential development comprising 123 units of double-storey terrace house and 18 units of single-storey spektra house.</i>	<i>Third quarter of 2024</i>	<i>Third quarter of 2026</i>	<ul style="list-style-type: none"> • <i>Obtained approval for eSPA submission on 19 January 2023 and approval for subdivision plan on 13 March 2023</i> • <i>Submitted engineering plan to BDA on 23 May 2023</i> • <i>Currently pending approval for engineering plan from BDA</i>
(b) <i>Lot 250, Block 79 Mukah Land District, Mukah, Sarawak</i>	31.80	<i>Residential development comprising 84 units of single-storey terrace house.</i>	<i>Third quarter of 2024</i>	<i>Third quarter of 2026</i>	<ul style="list-style-type: none"> • <i>Obtained approval for eSPA submission on 30 October 2023 and approval for subdivision plan on 13 May 2024</i> • <i>Submitted engineering plan to Jabatan Tanah dan Survei Bahagian Mukah on 23 April 2024</i> • <i>Currently pending approval for engineering plan from Jabatan Tanah dan Survei Bahagian Mukah</i>
(c) <i>Lot 3629 & Lot 426, Kemena Land District, Bintulu, Sarawak</i>	112.00	<i>Residential development comprising 22 units of 2.5 storey semi-detached house, 39 units of double-storey terrace house, 13 units of single-storey spektra house and 2 blocks of 7-storey apartment (84 units) with relevant facilities.</i>	<i>Fourth quarter of 2024</i>	<i>Fourth quarter of 2028</i>	<ul style="list-style-type: none"> • <i>Obtained approval for eSPA submission on 20 November 2023</i> • <i>Submitted subdivision plan to BDA on 19 March 2024</i> • <i>Currently pending approval for subdivision plan from BDA</i>
(d) <i>Lot 520, Kemena Land District, Bintulu, Sarawak</i>	68.19	<i>Residential development comprising 99 units of double-storey terrace house.</i>	<i>Fourth quarter of 2024</i>	<i>Fourth quarter of 2026</i>	<ul style="list-style-type: none"> • <i>Obtained approval for eSPA submission on 11 December 2023 and subdivision plan on 23 April 2024</i> • <i>Currently pending submission of engineering plan to BDA (target submission date: End of May 2024)</i>

<i>Project location</i>	<i>Estimated gross development value RM'million</i>	<i>Details of the projects*</i>	<i>Estimated launch date*</i>	<i>Expected completion date (based on the estimated launch date)</i>	<i>Current status as at the LPD</i>
(e) Lot 1841, Kemena Land District, Bintulu, Sarawak	72.63	Residential development comprising 113 units of double-storey terrace house and 16 units of single-storey spektra house.	Fourth quarter of 2024	Fourth quarter of 2026	<ul style="list-style-type: none"> • Obtained approval for eSPA submission on 2 May 2024 • Currently pending submission of subdivision plan to BDA (target submission date: End of May 2024)
(f) Lot 6263, Block 32 Kemena Land District, Bintulu, Sarawak	57.65	Residential development comprising 89 units of double-storey terrace house.	Second quarter of 2025	Second quarter of 2027	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 7 August 2023 • Currently pending approval for eSPA submission
(g) Bintulu Lease 4244, Bintulu, Sarawak	44.89	Residential development comprising 65 units of double-storey terrace house.	Second quarter of 2025	Second quarter of 2027	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 11 September 2023 • Currently pending approval for eSPA submission
(h) Lot 660, Kemena Land District, Bintulu, Sarawak	70.20	Residential development comprising 105 units of double-storey terrace house and 15 units of single-storey spektra house.	Second quarter of 2025	Second quarter of 2028	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 18 October 2023 • Currently pending approval for eSPA submission
(i) Lot 5774-5777, Block 32 Kemena Land District, Bintulu, Sarawak	32.40	Residential development comprising 50 units of double-storey terrace house.	Second quarter of 2025	Second quarter of 2027	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 7 November 2023 • Currently pending approval for eSPA submission
(j) Lot 3174 & 3175, Block 8 Matang Land District, Kuching, Sarawak	80.00	Mixed development comprising 1 block of 14-storey service apartment (187 units) and 9 units of commercial shoplots, 1 unit of hypermarket and 1 unit of management office with relevant facilities.	Second quarter of 2025	Second quarter of 2029	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 27 January 2024 • Currently pending approval for eSPA submission

<i>Project location</i>	<i>Estimated gross development value RM'million</i>	<i>Details of the projects*</i>	<i>Estimated launch date*</i>	<i>Expected completion date (based on the estimated launch date)</i>	<i>Current status as at the LPD</i>
(k) Lot 522, Kemena Land District, Bintulu, Sarawak	61.38	Residential development comprising 90 units of double-storey terrace house and 15 units of single-storey spektra house.	Fourth quarter of 2025	Fourth quarter of 2028	<ul style="list-style-type: none"> • Submitted planning permissions via eSPA on 14 March 2024 • Currently pending approval for eSPA submission
(l) Lot 523, Kemena Land District, Bintulu, Sarawak	84.36	Residential development comprising 124 units of double-storey terrace house and 26 units of single-storey spektra house.	Fourth quarter of 2025	Fourth quarter of 2028	<ul style="list-style-type: none"> • Submitted application for approval of proposed development to Syarikat SESCO Berhad on 22 April 2024 • Currently pending approval from Syarikat SESCO Berhad

* Subject to the final approval(s) of the relevant authorities.

The proceeds will be utilised based on the actual funding requirement of the respective projects at the time as well as the actual proceeds raised. As such, the allocation of proceeds between each project shall be adjusted accordingly as and when required. The balance funding requirements for the property development projects will be met via progressive sales billings to be received, internally generated funds and/or bank borrowings, the breakdown of which have not been determined at this juncture.

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(ii) *The estimated expenses comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges for the Proposals. If the actual expenses incurred pursuant to the Proposals are higher than the amount budgeted, the deficit will be funded via internally generated funds of the Company. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for the new property development projects of Sunmow Group.*

(iii) *Item (ii) plus placement fees of 1% in relation to the Proposed Placement of RPS.*

The actual proceeds to be raised are dependent on the actual number of RPS to be issued. Any variation in the actual proceeds raised will be adjusted against the proceeds allocated for Sunmow Group's new property development projects as set out above.

Based on the Warrants Exercise Price, the exercise of the Warrants will raise up to RM7.85 million under the Minimum Scenario or RM9.36 million under the Maximum Scenario. The actual quantum of gross proceeds to be raised from the exercise of the Warrants is dependent on the actual number of Warrants exercised during the Warrants Exercise Period. As and when the Warrants are exercised, the proceeds raised will be used as working capital for the Group, which includes but not limited to staff costs, advertisement and promotional expenses as well as general overheads and administrative expenses such as office expenses relating to utilities and general upkeep, the breakdown of which have not been determined at this juncture. The proceeds to be raised from the exercise of the Warrants will be utilised within a period of 12 months from the date of receipt of such proceeds.

Pending the utilisation of the proceeds from the Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS for the above purposes, the proceeds are intended to be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as the Board, in its absolute discretion, may deem fit and is in the best interest of the Company. The interest income derived from the deposits or any gains arising from the short-term money market instruments will be used as working capital of the Group, which includes but not limited to staff costs, advertisement and promotional expenses and general overheads such as utilities as well as upkeep of office equipment, vehicle and machinery, the breakdown of which have not been determined at this juncture.

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4. RATIONALE FOR THE PROPOSALS

4.1. Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS

The Company intends to raise proceeds to be used in the manner as set out in Section 3 of this Circular. The Board, after due consideration of the various options available, is of the opinion that the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS are the most suitable means of fundraising for Sunmow as compared to other options available for the following reasons:-

- (i) they enable the Company to raise the requisite proceeds expeditiously without incurring interest costs associated with bank borrowings, thereby minimising any potential cash outflow arising from interest servicing costs;
- (ii) they will also minimise the immediate dilution effect on the earnings of the Company which would otherwise arise from the issuance of ordinary shares; and
- (iii) the Warrants attached to the Rights RPS are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights RPS. In addition, the Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised.

Additionally, the existing shareholders of the Company will be entitled to one (1) Warrant at no cost for each Rights RPS subscribed. Upon exercise of the Warrants, the Warrant holders who are the existing shareholders will have greater participation in the equity of the Company in terms of the number of Sunmow Shares held.

The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of Warrants will increase shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

4.2. Proposed Amendments

The Proposed Amendments is undertaken to facilitate the creation and issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS.

5. INDUSTRY OVERVIEW AND OUTLOOK

5.1. Overview and outlook of the Malaysian economy

The Malaysian economy continued to expand in 2023 despite external headwinds. The Malaysian economy grew by 3.7% despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities. On the external front, exports declined due to subdued global demand, lower commodity prices and shifts towards services spending. Additionally, improving labour market conditions coupled with supportive policy measures helped household spending, especially among the vulnerable households affected by higher cost of living. Private sector capital spending drove overall investment activity, particularly in information technology and electrical and electronics (E&E). In tandem with external trade performance, export-oriented industries saw some moderation in growth. Nonetheless, all sectors continued to expand in 2023.

The Malaysian economy is projected to grow between 4%-5% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand. Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports. Tourism is expected to improve further, while the implementation of new and ongoing multi-year projects by both the private and public sectors would support investment activity. Nevertheless, domestic growth remains subject to downside risks from both external and domestic factors. External factors include a weaker-than-expected global growth and

further escalation of geopolitical conflict. Domestically, more severe shocks on commodity production and the implementation of subsidy rationalisation could also weigh on the growth outlook, although this could be partially offset by targeted cash assistance from the Government. Greater spillover from the tech upcycle, stronger-than-expected tourism activity, and faster implementation of existing and new investment projects would provide upside risks to the domestic growth.

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

5.2. Overview of the property market in Malaysia

The property market has gradually increased in 2023, higher after the downturn in 2020 due to Covid-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume.

Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

Residential sub-sector led the overall property market, with 62.8% contribution in volume. This was followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). Similarly in value, residential took the lead with 51.3% share, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) and development land and others (7.5%).

The expansion of the e-commerce sector and various initiatives outlined by the government under 2024 budget such as New Industrial Master Plan 2030 and the Pelan Induk Industri Halal 2030 are expected to promote the performance of industrial property market. As the national economy is projected to remain in the range of 4.0% to 5.0% in 2024 which supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic given the unpredictable external environment.

(Source: Property Market Report 2023, Valuation and Property Services Department Malaysia)

5.3. Overview of the property market in Sarawak

The performance of East Malaysia Region property market moderated in 2023, indicated by lower volume and value of transactions as compared to 2022. The region registered 39,442 transactions worth RM14.88 billion, decreased by 4.4% and 2.5% in volume and value respectively as compared to 2022. Combined these three states formed 9.9% and 7.6% of the national volume and value transactions.

On overall property transactions volume trend, all states showed downward trend in 2023 led by Labuan by 11.4%, followed by Sabah (5.7%) and Sarawak (3.8%). By state, Sarawak dominated the region's overall property transactions volume and value with 28,408 transactions (72.0%) worth RM9.23 billion (62.0%) followed by Sabah and Labuan.

(Source: East Malaysia Region Property Market Report 2023, Valuation and Property Services Department Malaysia)

5.4. Prospect of Sunmow Group

The Group is principally engaged in construction contract works and property development. For FYE 2023, property development segment contributed RM41.90 million or 36.39% of the total revenue of RM115.16 million. The revenue from property development segment increased from RM13.82 million in FYE 2022 to RM41.90 million in FYE 2023, representing an increase of RM28.08 million or 203.18%.

In August 2023, the Group launched a residential development project, namely Meadow Residence, with a gross development value of RM77.87 million, which is to be completed in fourth quarter of 2025.

The Group intends to use the proceeds from the proposed fund-raising to expand its property development segment by launching and developing new projects as set out in Section 3 of this Circular.

Premised on the above, the Board is confident and optimistic that the Group's utilisation of proceeds to develop the new property development projects will enhance its revenue and profitability in future years.

(Source: Management of Sunmow)

6. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on the share capital, NA and gearing of the Group, the substantial shareholders' shareholdings, the earnings as well as the EPS of the Company.

6.1. Share capital

The RPS to be issued pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS will not have any effect on the share capital of the Company. Nevertheless, the effect arising from the exercise of Warrants pursuant to the Proposed Rights Issue of RPS with Warrants is set out below:-

	Maximum Scenario		Minimum Scenario	
	No. of Sunmow Shares	RM	No. of Sunmow Shares	RM
As at LPD	233,940,000	38,250,000	233,940,000	38,250,000
Assuming full exercise of the Warrants	15,596,000	⁽¹⁾ 9,357,600	13,086,712	⁽²⁾ 7,852,027
Enlarged issued share capital	249,536,000	47,607,600	247,026,712	46,102,027

Notes:-

(1) Assuming all 15,596,000 Warrants are exercised at the Warrants Exercise Price.

(2) Assuming all 13,086,712 Warrants are exercised at the Warrants Exercise Price.

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6.2. NA and gearing

In view that the Proposed Rights Issue of RPS with Warrants is not conditional upon the Proposed Placement of RPS and vice versa, the pro forma effects of the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS on the NA and gearing of the Group under the Maximum Scenario are illustrated on overall and stand-alone basis as follows:-

Maximum Scenario – overall basis

	Audited as at 31 December 2023	(I) After Proposed Rights Issue of RPS with Warrants	(II) After (I) and Proposed Placement of RPS	(III) After (II) and assuming full exercise of Warrants
	RM	RM	RM	RM
Share capital	38,250,000	38,250,000	38,250,000	⁽⁵⁾ 47,607,600
Merger deficit	(24,539,800)	(24,539,800)	(24,539,800)	(24,539,800)
Equity reserves	2,000,000	2,000,000	2,000,000	2,000,000
Retained profits	33,881,819	⁽¹⁾ 33,581,819	⁽³⁾ 33,431,819	33,431,819
Total equity	49,592,019	49,292,019	49,142,019	58,499,619
No. of Shares	233,940,000	233,940,000	233,940,000	249,536,000
NA per Share	0.21	0.21	0.21	0.23
Total borrowings	10,849,036	⁽²⁾ 18,647,036	⁽⁴⁾ 33,647,036	33,647,036
Gearing (times)	0.22	0.38	0.68	0.58

Maximum Scenario – stand-alone basis (Proposed Rights Issue of RPS with Warrants)

	Audited as at 31 December 2023	(I) After Proposed Rights Issue of RPS with Warrants	(II) After (I) and assuming full exercise of Warrants
	RM	RM	RM
Share capital	38,250,000	38,250,000	⁽⁵⁾ 47,607,600
Merger deficit	(24,539,800)	(24,539,800)	(24,539,800)
Equity reserves	2,000,000	2,000,000	2,000,000
Retained profits	33,881,819	⁽¹⁾ 33,581,819	33,581,819
Total equity	49,592,019	49,292,019	58,649,619
No. of Shares	233,940,000	233,940,000	249,536,000
NA per Share	0.21	0.21	0.23
Total borrowings	10,849,036	⁽²⁾ 18,647,036	18,647,036
Gearing (times)	0.22	0.38	0.32

Maximum Scenario – stand-alone basis (Proposed Placement of RPS)

	Audited as at 31 December 2023	After Proposed Placement of RPS
	RM	RM
Share capital	38,250,000	38,250,000
Merger deficit	(24,539,800)	(24,539,800)
Equity reserves	2,000,000	2,000,000
Retained profits	33,881,819	⁽³⁾ 33,431,819
Total equity	49,592,019	49,142,019
No. of Shares	233,940,000	233,940,000
NA per Share	0.21	0.21
Total borrowings	10,849,036	⁽⁴⁾ 25,849,036
Gearing (times)	0.22	0.53

Notes:-

- (1) After taking into consideration the estimated expenses of RM0.30 million comprising professional fees and other contingencies.
- (2) Assuming all the Entitled Shareholders subscribe in full for their respective entitlements under the Proposed Rights Issue of RPS with Warrants, amounting to RM7.80 million is procured. The Rights RPS are treated as financial liabilities in accordance with paragraph 18(a) of the Malaysian Financial Reporting Standard (“MFRS”) 132.
- (3) After taking into consideration the placement fees of 1% in relation to the Proposed Placement of RPS.
- (4) After taking into consideration the Placement RPS, amounting to RM15.00 million. The Placement RPS are treated as financial liabilities in accordance with paragraph 18(a) of the MFRS 132.
- (5) Assuming all 15,596,000 Warrants are exercised at the Warrants Exercise Price.

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The pro forma effects of the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS on the NA and gearing of the Group under the Minimum Scenario are illustrated as follows:-

Minimum Scenario

	Audited as at 31 December 2023	(I) After Proposed Rights Issue of RPS with Warrants	(II) After (I) and assuming full exercise of Warrants
	RM	RM	RM
Share capital	38,250,000	38,250,000	⁽³⁾ 46,102,027
Merger deficit	(24,539,800)	(24,539,800)	(24,539,800)
Equity reserves	2,000,000	2,000,000	2,000,000
Retained profits	33,881,819	⁽¹⁾ 33,581,819	33,581,819
Total equity	49,592,019	49,292,019	57,144,046
No. of Shares	233,940,000	233,940,000	247,026,712
NA per Share	0.21	0.21	0.23
Total borrowings	10,849,036	⁽²⁾ 17,392,392	17,392,392
Gearing (times)	0.22	0.35	0.30

Notes:-

- (1) After taking into consideration the estimated expenses of RM0.30 million comprising professional fees and other contingencies.
- (2) Assuming none of the Entitled Shareholders subscribe for their respective entitlements under the Proposed Rights Issue of RPS with Warrants except the Undertaking Shareholders, amounting to RM6.54 million is procured. The Rights RPS are treated as financial liabilities in accordance with paragraph 18(a) of the MFRS 132.
- (3) Assuming all 13,086,712 Warrants are exercised at the Warrants Exercise Price.

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6.3. Substantial shareholders' shareholdings

The issuance of the RPS pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS will not have any effect on the shareholding of the Company's shareholders.

The pro forma effects of the exercise of Warrants pursuant to the Proposed Rights Issue of RPS with Warrants on the shareholdings of the Company's substantial shareholders as at the LPD are set out below:-

Maximum Scenario

	As at the LPD				After Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kong Chiong Miew	102,515,400	43.82	⁽¹⁾ 300,000	0.13	109,349,760	43.82	⁽¹⁾ 320,000	0.13
Kong Chiong Ung	67,369,300	28.80	⁽²⁾ 60,000	0.03	71,860,586	28.80	⁽²⁾ 64,000	0.03
Bene Sky Sdn Bhd	18,994,000	8.12	-	-	20,260,266	8.12	-	-
Lee Yew Chen	7,422,000	3.17	⁽³⁾ 18,994,000	8.12	7,916,800	3.17	⁽³⁾ 20,260,266	8.12

Minimum Scenario

	As at the LPD				After Proposed Rights Issue of RPS with Warrants and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kong Chiong Miew	102,515,400	43.82	⁽¹⁾ 300,000	0.13	109,349,760	44.27	⁽¹⁾ 300,000	0.12
Kong Chiong Ung	67,369,300	28.80	⁽²⁾ 60,000	0.03	71,860,586	29.09	⁽²⁾ 60,000	0.02
Bene Sky Sdn Bhd	18,994,000	8.12	-	-	20,260,266	8.20	-	-
Lee Yew Chen	7,422,000	3.17	⁽³⁾ 18,994,000	8.12	7,916,800	3.20	⁽³⁾ 20,260,266	8.20

Notes:-

- (1) Deemed interest by virtue of his spouse's and children's shareholdings pursuant to Section 59(1)(c) of the Act.
- (2) Deemed interest by virtue of his spouse's shareholding pursuant to Section 59(1)(c) of the Act.
- (3) Deemed interest by virtue of his interests in Bene Sky Sdn Bhd pursuant to Section 8 of the Act.

6.4. Earnings and EPS

The Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS will not have an immediate dilution effect on the consolidated earnings and EPS of the Company as the RPS are not convertible into Sunmow Shares but the consolidated EPS of the Company may be proportionately diluted as a result of the increase in the number of issued Sunmow Shares when the Warrants are exercised into new Sunmow Shares.

Nevertheless, the management expects the issuance of the RPS to contribute positively to the future earnings of the Company due to utilisation of the proceeds from the Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS to undertake new projects.

6.5. Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. PREVIOUS FUND-RAISING EXERCISES

In the past twelve (12) months preceding the LPD, the Company did not undertake any fund-raising exercises.

8. CONDITIONALITY

The Proposed Rights Issue of RPS with Warrants is not conditional upon the Proposed Placement of RPS and vice versa.

However, the Proposed Amendments is conditional upon the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS and vice versa.

The Proposals are not conditional upon any other corporate exercises/scheme undertaken or to be undertaken by the Company.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Sunmow Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

	<u>Highest</u>	<u>Lowest</u>
	<u>RM</u>	<u>RM</u>
2023		
June	1.100	0.700
July	1.680	1.100
August	1.550	1.200
September	1.500	1.100
October	1.350	1.100
November	1.350	1.080
December	1.080	1.080
2024		
January	1.080	1.060
February	1.060	1.060
March	1.060	1.060
April	1.060	1.060
May	1.060	1.060
Last transacted market price as at the LTD		1.060
Last transacted market price as at the LPD		1.060

(Source: Bloomberg)

10. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

- (i) Bursa Securities for the following:-
 - (a) admission to the Official List and listing and quotation of up to 45,596,000 RPS (comprising up to 15,596,000 Rights RPS and up to 30,000,000 Placement RPS) to be issued pursuant to the Proposed Rights Issue of RPS with Warrants and the Proposed Placement of RPS;
 - (b) admission to the Official List and listing and quotation of up to 15,596,000 Warrants to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and
 - (c) listing and quotation of up to 15,596,000 new Sunmow Shares to be issued arising from the exercise of the Warrants;
- (ii) shareholders of Sunmow at the EGM to be convened for the Proposals; and
- (iii) any other relevant authorities and/or parties, if required.

The admission and listing and quotation of the RPS and the Warrants to be issued pursuant to the Proposals, as well as the listing and quotation of the new Sunmow Shares to be issued pursuant to the exercise of the Warrants, are subject to the following conditions:-

<u>No.</u>	<u>Condition</u>	<u>Status of Compliance</u>
1.	Sunmow and SCA must fully comply with the relevant provisions under the ACE LR and LEAP LR pertaining to the implementation of the Proposals.	To be complied
2.	Sunmow and SCA to inform Bursa Securities upon the completion of the Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS respectively.	To be complied
3.	Sunmow to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue of RPS with Warrants and/or Proposed Placement of RPS are completed.	To be complied

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of Sunmow and/or persons connected to them have any interest, direct or indirect, in the Proposals, other than their respective entitlements to subscribe for the Rights RPS under the Proposed Rights Issue of RPS with Warrants as shareholders of Sunmow, for which all other shareholders of Sunmow are entitled to.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals, including but not limited to the funding requirements of the Group, the proposed manner of utilisation of the proceeds of the Proposed Rights Issue of RPS with Warrants and Proposed Placement of RPS, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to obtaining all the required approvals, the Proposals are expected to be completed by the fourth quarter of 2024.

The tentative timetable for the implementation of the Proposals is set out below:-

Tentative timeline	Events
28 June 2024	<ul style="list-style-type: none">• EGM to approve the Proposals
Mid July 2024	<ul style="list-style-type: none">• Announcement of the Entitlement Date
Early August 2024	<ul style="list-style-type: none">• Entitlement Date• Issuance of Information Memorandum together with notice of provisional allotment and rights subscription form in relation to the Proposed Rights Issues of RPS with Warrants
Mid August 2024	<ul style="list-style-type: none">• Closing date for subscription and payment of the Rights RPS
Mid August 2024	<ul style="list-style-type: none">• Implementation of the Proposed Placement of RPS
End August 2024	<ul style="list-style-type: none">• Listing of and quotation for the Rights RPS, Warrants and Placement RPS, if any, on the LEAP Market of Bursa Securities• Completion of the Proposed Rights Issue of RPS with Warrants
End November 2024	<ul style="list-style-type: none">• Completion of the Proposed Placement of RPS

14. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise which has been announced but pending completion prior to the printing of this Circular.

15. EGM

The EGM, the notice of which is enclosed together with this Circular, will be held at The Sales Gallery of Sunmow Headquarter, F-G-01, Bintulu Paragon, Old Airport Place, 97000 Bintulu, Sarawak, Malaysia on Friday, 28 June 2024 at 2.45p.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution so as to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM and wish to appoint a proxy or proxies, you must complete the relevant Proxy Form in accordance with the instructions contained therein and deposit it as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company, Bina Management (M) Sdn Bhd at Lot 10, the Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

16. FURTHER INFORMATION

Please refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
SUNMOW HOLDING BERHAD

KONG CHIONG MIEW
Executive Chairman

INDICATIVE SALIENT TERMS OF THE RIGHTS RPS AND PLACEMENT RPS

The indicative salient terms of the Rights RPS and Placement RPS are as follows:-

Terms	Details
Issuer	: Sunmow
Issue size	: (i) Up to 15,596,000 Rights RPS to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and (ii) Up to 30,000,000 Placement RPS to be issued pursuant to the Proposed Placement of RPS.
Issue Price	: RM0.50 per RPS
Form and denomination	: The RPS will be constituted by the Company's Constitution and will be issued in registered form. All RPS issued are unsecured.
Tenure	: Two (2) years commencing from and inclusive of the date of the first issuance of the RPS (" Tenure ").
Maturity date	: The day falling two (2) years from the date of the first issuance of the RPS. If such date is not a market day, then it shall be the next market day immediately after the said non-market day (" Maturity Date ").
Dividend rate	: The RPS shall carry the right to receive cumulative gross preferential dividend rate out of the distributable profits of Sunmow at a fixed rate of 4.5% per annum on the Issue Price, subject to the provisions of the Act. No dividend shall be paid on the ordinary shares of Sunmow unless the dividends on the RPS have first been paid. The dividends for the RPS shall be paid every six (6) months ending 30 th June and 31 st December of each year, with the dividend payment to be paid either on 30 th June or 31 st December (if such date of payment is a bank holiday pursuant to the Holidays Act 1951, then it shall be the next working day immediately after the said bank holiday), with the first dividend payment to commence on or after 31 st December 2024, wherein the dividend rate of 4.5% per annum shall be pro-rated from the date of issuance of the RPS. The last dividend payment shall be made on the Maturity Date, wherein the dividend shall be pro-rated if the Maturity Date does not fall on 30 th June or 31 st December.
Board lot	: The RPS are tradeable upon listing in board lots of 100 units or such other number of units as may be prescribed by Bursa Securities.
Conversion rights	: The RPS are not convertible into new Sunmow Shares.
Redemption	: Subject to the provisions of the Act, the Company may at its option and discretion, at any time during the Tenure and up to the Maturity Date, redeem in cash any of the RPS on a pro-rata basis at RM0.50 per RPS by giving not less than seven (7) business days' notice of its intention to do so. Any outstanding RPS which have not already been redeemed by the Company as at the Maturity Date shall be mandatorily redeemed by the Company. In the event that the Company, before the Maturity Date, transfers its listing to the ACE Market of Bursa Securities or withdraws its listing from the Official List for the purpose of listing on the Main Market of Bursa Securities or otherwise, all outstanding RPS will be redeemed in cash at RM0.50 per RPS by the Company in accordance with the provisions of the Act on or before the said transfer or withdrawal, as the case may be.
Redemption price	: RM0.50 per RPS
Adjustments to the number of RPS	: The number of RPS held by each RPS holder will not be affected and/or adjusted in the event of any alteration to the ordinary share capital of the Company.

INDICATIVE SALIENT TERMS OF THE RIGHTS RPS AND PLACEMENT RPS (CONT'D)

Terms	Details
Ranking	<p>: The RPS shall, upon full payment of the Issue Price, allotment and issuance, rank equally in all respects without any preference or priority among themselves, and will rank in priority to Sunmow Shares.</p>
Rights of the RPS holders	<p>: The RPS holders shall have the same rights as ordinary shareholders with regard to receiving notices, reports and audited financial statements and attending general meetings of the Company.</p> <p>The RPS holders however are not entitled to any right to vote in any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting in the following circumstances:-</p> <ul style="list-style-type: none"> (a) where the dividend or part of the dividend on the RPS is in arrear for more than six (6) months; (b) on a proposal to reduce the Company's share capital; (c) on a proposal for the disposal of the whole or a substantial portion (as defined in Section 223 of the Act) of the Group's assets, business or undertakings; (d) upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS; (e) on a proposal for the liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than on redemption) of Sunmow and during the liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than the redemption); and (f) other circumstances as may be provided under law which is applicable to preference shares and/or preference shareholders from time to time. <p>The RPS shall carry only the rights to receive cumulative gross preferential dividend rate out of the distributable profits of Sunmow at a fixed rate of 4.5% per annum payable either on 30th June or 31st December (if such date of payment is a bank holiday pursuant to the Holidays Act 1951, then it shall be the next working day immediately after the said bank holiday), and shall not confer on the RPS holders the right to participate in any rights, allotments and/or other distributions of profits in the Company.</p> <p>In the event of liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than on redemption):-</p> <ul style="list-style-type: none"> (a) The RPS shall confer on the holders the right to receive in priority to the holders of all other class of shares in Sunmow, cash repayment in full of the amount (including the amount of any dividends that has been declared and remaining in arrears) of up to 100% of the Issue Price provided that there shall be no further right to participate in any surplus capital or surplus profits of Sunmow. (b) The RPS shall not confer on the holders the right to participate in the distribution of surplus assets or profits of Sunmow. (c) In the event that Sunmow has insufficient assets to permit payment of the full Issue Price to the RPS holders, the assets of Sunmow shall be distributed rateably to the RPS holders in proportion to the amount that each RPS holder would otherwise be entitled to receive.

INDICATIVE SALIENT TERMS OF THE RIGHTS RPS AND PLACEMENT RPS (CONT'D)

Terms	Details
Modification of rights of the RPS holders	<p>: The Company may from time to time modify the terms of the RPS which in the opinion of the Company are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p> <p>Any variation, modification or abrogation of the rights and privileges attached to the RPS shall require the sanction of a special resolution of the RPS holders holding or representing not less than 75% of the outstanding RPS which have not already been redeemed by the Company, who present and do vote at the meeting of the RPS holders.</p>
Events of default	<p>: The RPS holders may at their sole discretion by notice require Sunmow to redeem the RPS at the Issue Price together with accrued or any unpaid dividend up to the redemption date stipulated in the notice in the event that Sunmow ceasing or threatening to carry on its business or a substantial part of its business or breaching any terms and conditions of the RPS stated herein.</p>
Rating	<p>: The RPS will not be rated.</p>
Listing	<p>: The RPS will be listed and quoted on the Official List.</p>
Transferability	<p>: The RPS shall be transferable in accordance with the Rules of Bursa Depository.</p>
Governing Law	<p>: Laws of Malaysia.</p>

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DETAILS OF THE PROPOSED AMENDMENTS

The existing Constitution shall be amended by inserting the following new Clause 15A after the existing Clause 15.1:-

15A. Redeemable Preference Shares (“RPS”)

The RPS shall confer on the holders thereof the following rights and privileges and be subject to the following terms and conditions:

<u>Terms</u>	<u>Details</u>
Issuer	: The Company, Sunmow Holding Berhad [Registration No. 202001024626 (1380946-V)] (also referred to as “Sunmow”)
Issue size	: (i) Up to 15,596,000 RPS to be issued pursuant to the Proposed Rights Issue of RPS with Warrants; and (ii) Up to 30,000,000 RPS to be issued pursuant to the Proposed Placement of RPS.
Issue Price	: RM0.50 per RPS
Form and denomination	: The RPS will be constituted by the Company’s Constitution and will be issued in registered form. All RPS issued are unsecured.
Tenure	: Two (2) years commencing from and inclusive of the date of the first issuance of the RPS (“ Tenure ”).
Maturity date	: The day falling two (2) years from the date of the first issuance of the RPS. If such date is not a market day, then it shall be the next market day immediately after the said non-market day (“ Maturity Date ”).
Dividend rate	: The RPS shall carry the right to receive cumulative gross preferential dividend rate out of the distributable profits of Sunmow at a fixed rate of 4.5% per annum on the Issue Price, subject to the provisions of the Act. No dividend shall be paid on the ordinary shares of Sunmow unless the dividends on the RPS have first been paid. The dividends for the RPS shall be paid every six (6) months ending 30 th June and 31 st December of each year, with the dividend payment to be paid either on 30 th June or 31 st December (if such date of payment is a bank holiday pursuant to the Holidays Act 1951, then it shall be the next working day immediately after the said bank holiday), with the first dividend payment to commence on or after 31 st December 2024, wherein the dividend rate of 4.5% per annum shall be pro-rated from the date of issuance of the RPS. The last dividend payment shall be made on the Maturity Date, wherein the dividend shall be pro-rated if the Maturity Date does not fall on 30 th June or 31 st December.
Board lot	: The RPS are tradeable upon listing in board lots of 100 units or such other number of units as may be prescribed by the Exchange.
Conversion rights	: The RPS are not convertible into new Sunmow Shares.
Redemption	: Subject to the provisions of the Act, the Company may at its option and discretion, at any time during the Tenure and up to the Maturity Date, redeem in cash any of the RPS on a pro-rata basis at RM0.50 per RPS by giving not less than seven (7) business days’ notice of its intention to do so. Any outstanding RPS which have not already been redeemed by the Company as at the Maturity Date shall be mandatorily redeemed by the Company.

DETAILS OF THE PROPOSED AMENDMENTS (CONT'D)

Terms	Details
Redemption price	: In the event that the Company, before the Maturity Date, transfers its listing to the ACE Market of the Exchange or withdraws its listing from the Official List for the purpose of listing on the Main Market of the Exchange or otherwise, all outstanding RPS will be redeemed in cash at RM0.50 per RPS by the Company in accordance with the provisions of the Act on or before the said transfer or withdrawal, as the case may be.
Adjustments to the number of RPS	: The number of RPS held by each RPS holder will not be affected and/or adjusted in the event of any alteration to the ordinary share capital of the Company.
Ranking	: The RPS shall, upon full payment of the Issue Price, allotment and issuance, rank equally in all respects without any preference or priority among themselves, and will rank in priority to Sunmow Shares.
Rights of the RPS holders	: The RPS holders shall have the same rights as ordinary shareholders with regard to receiving notices, reports and audited financial statements and attending general meetings of the Company.

The RPS holders however are not entitled to any right to vote in any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting in the following circumstances:-

- (a) where the dividend or part of the dividend on the RPS is in arrear for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole or a substantial portion (as defined in Section 223 of the Act) of the Group's assets, business or undertakings;
- (d) upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS;
- (e) on a proposal for the liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than on redemption) of Sunmow and during the liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than the redemption); and
- (f) other circumstances as may be provided under law which is applicable to preference shares and/or preference shareholders from time to time.

The RPS shall carry only the rights to receive cumulative gross preferential dividend rate out of the distributable profits of Sunmow at a fixed rate of 4.5% per annum payable either on 30th June or 31st December (if such date of payment is a bank holiday pursuant to the Holidays Act 1951, then it shall be the next working day immediately after the said bank holiday), and shall not confer on the RPS holders the right to participate in any rights, allotments and/or other distributions of profits in the Company.

In the event of liquidation, dissolution, winding-up, compromise, scheme of arrangement and/or other repayment of capital (other than on redemption):-

DETAILS OF THE PROPOSED AMENDMENTS (CONT'D)

<u>Terms</u>	<u>Details</u>
	<p>(a) The RPS shall confer on the holders the right to receive in priority to the holders of all other class of shares in Sunmow, cash repayment in full of the amount (including the amount of any dividends that has been declared and remaining in arrears) of up to 100% of the Issue Price provided that there shall be no further right to participate in any surplus capital or surplus profits of Sunmow.</p> <p>(b) The RPS shall not confer on the holders the right to participate in the distribution of surplus assets or profits of Sunmow.</p> <p>(c) In the event that Sunmow has insufficient assets to permit payment of the full Issue Price to the RPS holders, the assets of Sunmow shall be distributed rateably to the RPS holders in proportion to the amount that each RPS holder would otherwise be entitled to receive.</p>
Modification of rights of the RPS holders	<p>: The Company may from time to time modify the terms of the RPS which in the opinion of the Company are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p> <p>Any variation, modification or abrogation of the rights and privileges attached to the RPS shall require the sanction of a special resolution of the RPS holders holding or representing not less than 75% of the outstanding RPS which have not already been redeemed by the Company, who present and do vote at the meeting of the RPS holders.</p>
Events of default	<p>: The RPS holders may at their sole discretion by notice require Sunmow to redeem the RPS at the Issue Price together with accrued or any unpaid dividend up to the redemption date stipulated in the notice in the event that Sunmow ceasing or threatening to carry on its business or a substantial part of its business or breaching any terms and conditions of the RPS stated herein.</p>
Rating	<p>: The RPS will not be rated.</p>
Listing	<p>: The RPS will be listed and quoted on the Official List of the LEAP Market of the Exchange.</p>
Transferability	<p>: The RPS shall be transferable in accordance with the rules of Depository.</p>
Governing Law	<p>: Laws of Malaysia.</p>

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board, having seen, read and understood the contents of this Circular in relation to the Proposals approves and, collectively and individually, accepts full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular, or other facts and information, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND DECLARATION

SCA, being the Approved Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

SCA hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Approved Adviser to Sunmow for the Proposals.

3. MATERIAL LITIGATION

Save as disclosed below, Sunmow Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business and financial position of Sunmow Group and the Board is not aware of any legal proceedings, pending or threatened against Sunmow Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of Sunmow Group as at the LPD:-

Sunmow Construction Sdn Bhd (a wholly-owned subsidiary of Sunmow) (“Plaintiff”) against Kong Choon Wei and Ting Yu Kwong (collectively referred to as the “Defendants”)

The Plaintiff as the contractor had entered into a contract on 1 February 2020 (“**Contract**”), for the project known as “Proposed 3-storey showroom cum 2-storey office on Lot 6588, 6589 & 6590 (Parent Lot 1747), Block 32 Kemena Land District, Bintulu Sarawak (Block A)” (“**Project**”) with the Defendants for the total contract sum of RM4,794,930.65.

The Plaintiff had commenced work for the Project and the Plaintiff had during the construction period issued various progressive claims and variation orders to the Defendants for the work done in the sum of RM3,485,852.35 of which Defendants had paid RM2,750,000.00 to the Plaintiff, leaving the balance of RM939,613.16 remain unpaid by the Defendants (“**Outstanding Balance**”). Despite several reminders made by the Plaintiff to the Defendants, the Plaintiff failed to receive any payments and/or decisions and/or proposals from the Defendants to settle the Outstanding Balance. On 6 October 2023, the Plaintiff had suspended the work under the Project due to the refusal from the Defendants to settle the Outstanding Balance when it was due in accordance with the terms and conditions of the Contract.

On 19 January 2024, the Plaintiff:-

- (i) instructed its solicitors to issue a notice of termination to the Defendants terminating the Contract as the Defendants refused and failed to settle the Outstanding Balance, which constitutes a fundamental breach of the Contract; and
- (ii) claimed for the Outstanding Balance against the Defendants.

The Plaintiff had on 3 April 2024, filed Writ of Summons and Statement of Claim at the Sessions Court at Bintulu, Sarawak against the Defendants. The Defendants had entered a memorandum of appearance on 16 April 2024.

Pursuant to the Statement of Claim filed, the Plaintiff is claiming the following from the Defendants, jointly and severally:-

- (a) the Outstanding Balance;
- (b) interest of 5% on the Outstanding Balance from 7 October 2023 until full and final settlement;

FURTHER INFORMATION (CONT'D)

- (c) costs:-
- (i) costs on a solicitor-client's basis of RM49,688.39;
 - (ii) legal action fee of RM40,000.00; and
 - (iii) court fee of RM436.00; and
- (d) such further or other relief as the Sessions Court at Bintulu deems fit.

During the case mention which was held on 6 May 2024, the Defendants had filed their defence and counterclaim. As at the LPD, pending Plaintiff to file for reply to defence and defence to counterclaim and parties are awaiting for the Court to fix a hearing date after the pleading is closed.

Based on the facts of the case and the relevant documents submitted to the Court, the Board is optimistic on the outcome of the lawsuit.

4. MATERIAL COMMITMENT

As at the LPD, there is no material commitment incurred or known to be incurred by the Group, which upon becoming enforceable, may have material impact on the financial position of the Group.

5. CONTINGENT LIABILITIES

As at the LPD, there are no material contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Sunmow's registered office at No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the existing Constitution of Sunmow;
- (ii) the audited financial statements of Sunmow for the past two (2) FYEs 2023 and 2022;
- (iii) the letter of consent as referred to in Section 2 of this Appendix;
- (iv) the relevant cause papers in respect of the material litigation disclosed in Section 3 of this Appendix;
- (v) the draft Deed Poll; and
- (vi) the Undertaking as referred to in Section 2.1.3 of this Circular.

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SUNMOW HOLDING BERHAD

Registration No. 202001024626 (1380946-V)

Incorporated in Malaysia

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Sunmow Holding Berhad (“Company” or “Sunmow”) will be held at The Sales Gallery of Sunmow Headquarter, F-G-01, Bintulu Paragon, Old Airport Place, 97000 Bintulu, Sarawak, Malaysia on Friday, 28 June 2024 at 2.45p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED NON-RENOUNCEABLE RIGHTS ISSUE OF UP TO 15,596,000 NEW REDEEMABLE PREFERENCE SHARES (“RPS”) (“RIGHTS RPS”) AT AN ISSUE PRICE OF RM0.50 PER RIGHTS RPS TOGETHER WITH UP TO 15,596,000 FREE DETACHABLE WARRANTS (“PROPOSED RIGHTS ISSUE OF RPS WITH WARRANTS”)

THAT subject to the passing of the Special Resolution and the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Board of Directors of the Company (“Board”) for the following:-

- i. to undertake the Proposed Rights Issue of RPS with Warrants, and to provisionally allot and issue by way of a non-renounceable rights issue of up to 15,596,000 Rights RPS at an issue price of RM0.50 per Rights RPS (“Issue Price”) together with up to 15,596,000 free detachable warrants (“Warrants”) to the shareholders of the Company whose names appear in the record of depositors of the Company as at the close of business on an entitlement date to be determined by the Board (“Entitled Shareholders”) on the basis of one (1) Rights RPS for every fifteen (15) existing ordinary shares in Sunmow (“Sunmow Shares”) held by the Entitled Shareholders together with one (1) Warrant for every one (1) Rights RPS subscribed;
- ii. to allot and issue up to 15,596,000 Warrants to those Entitled Shareholders who have successfully applied for the Rights RPS on the basis of one (1) Warrant for every one (1) Rights RPS successfully subscribed;
- iii. create and constitute the Warrants upon the terms and conditions of a deed poll (“Deed Poll”), the principal terms of which are set out in Section 2.1.8 of the Circular and wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the warrants exercise period, for one (1) new Sunmow Share at an exercise price of RM0.60 per Warrant or at any adjustment thereof under the provisions of the Deed Poll;
- iv. to allot and issue such number of new Sunmow Shares credited to the holders of the Warrants arising from the exercise of the Warrants, from time to time during the warrants exercise period, in accordance with the provisions of the Deed Poll; and
- v. to allot and issue such further Warrants and new Sunmow Shares arising from the exercise of such further Warrants and to adjust from time to time the exercise price of the Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorities and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities or parties (if required);

THAT the proceeds arising from the Proposed Rights Issue of RPS with Warrants be utilised for the purposes as set out in the Circular, and the Board be and is hereby authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board deems fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT any fractional entitlements under the Proposed Rights Issue of RPS with Warrants, if any, will be disregarded and dealt with in such manner and on such terms and conditions as the Board shall in its absolute discretion deems fit and/or expedient and in the best interest of the Company;

THAT the Rights RPS shall, upon full payment of the Issue Price of the Rights RPS, allotment and issuance, rank equally in all respects without any preference or priority among themselves and the Placement RPS, and will rank in priority to Sunmow Shares;

THAT the new Sunmow Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Sunmow Shares except that the holders of such new Sunmow Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company prior to the relevant date of allotment and issuance of the new Sunmow Shares arising from the exercise of the Warrants;

THAT the Rights RPS, Warrants and the new Sunmow Shares to be issued pursuant to the exercise of the Warrants shall be listed on the LEAP Market of Bursa Securities;

THAT the Board be and is hereby authorised and empowered to enter into and execute, on behalf of the Company, the Deed Poll with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be in the best interest of the Company or as may be required or imposed by the relevant authorities or deemed necessary by the Directors of the Company, and with full powers to implement and give effect to the terms and conditions of the Deed Poll, and to take all steps as it may deem necessary and expedient in order to implement, finalise and give full effect to the Deed Poll;

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all such acts, deeds and things (including executing such documents as may be required) in the said connection on behalf of the Company and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to implement, complete, and give full effect to the Proposed Rights Issue of RPS with Warrants.

ORDINARY RESOLUTION 2

PROPOSED PLACEMENT OF UP TO 30,000,000 NEW RPS (“PLACEMENT RPS”) AT AN ISSUE PRICE OF RM0.50 PER PLACEMENT RPS TO SOPHISTICATED INVESTOR(S) TO BE IDENTIFIED LATER (“PROPOSED PLACEMENT OF RPS”)

THAT subject to the passing of the Special Resolution and the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Board to undertake the Proposed Placement of RPS, and to allot and issue up to 30,000,000 Placement RPS at an issue price of RM0.50 per Placement RPS (“Issue Price”) which are intended to be placed out in one (1) or more tranches to independent third-party sophisticated investor(s) (“Placee(s)”) to be identified at a later date. The Placee(s) shall be persons or parties who/which is specified as a sophisticated investor in the Guidelines on Categories of Sophisticated Investors issued by the Securities Commission Malaysia (excluding a director or major shareholder of the Company or a person connected to them (“Interested Persons”), and a nominee corporation, unless the names of the ultimate beneficiaries are disclosed);

THAT the proceeds arising from the Proposed Placement of RPS be utilised for the purposes as set out in the Circular, and the Board be and is hereby authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board deems fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Placement RPS shall, upon full payment of the Issue Price of the Placement RPS, allotment and issuance, rank equally in all respects without any preference or priority among themselves and the Rights RPS, and will rank in priority to the Sunmow Shares;

THAT the Placement RPS shall be listed on the LEAP Market of Bursa Securities;

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all such acts, deeds and things (including executing such documents as may be required) in the said connection on behalf of the Company

and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to implement, complete, and give full effect to the Proposed Placement of RPS.

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE EXISTING CONSTITUTION OF THE COMPANY TO FACILITATE THE CREATION AND ISSUANCE OF THE RIGHTS RPS AND PLACEMENT RPS (“PROPOSED AMENDMENTS”)

THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, approval be and is hereby given for the Company to undertake the Proposed Amendments in the manner set out in Appendix II of the Circular;

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all such acts and things (including executing such documents as may be required) in the said connection on behalf of the Company and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to implement, complete, and give full effect to the Proposed Amendments.

By Order of the Board
KONG CHIONG UNG
Group Managing Director

06 June 2024
Kuala Lumpur

Notes:

- 1. All capitalised terms used but not defined in the Ordinary Resolution 1, the Ordinary Resolution 2 and the Special Resolution shall have the meanings set forth in the Company’s Circular to shareholders dated 06 June 2024 in relation to the Proposals.*
- 2. Only a depositor whose name appears on the Record of Depositors as at 18 June 2024 shall be entitled to attend, participate, speak and vote at the EGM as well as for appointment of any person(s) as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the EGM in his stead.*
- 3. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (4) and (5) below, be entitled to appoint more than 2 proxies to attend and vote at the EGM.*
- 4. Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.*
- 5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- 6. Where a member entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the EGM on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.*
- 7. Where a member is a corporation, it may also by resolution of its directors or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the EGM on its stead.*
- 8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll.
The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd., at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. Faxed, photocopied and electronically scanned copies of the duly executed Proxy Form are not acceptable.*



SUNMOW HOLDING BERHAD

Registration No. 202001024626 (1380946-V)

Incorporated in Malaysia

PROXY FORM

I/We _____

NRIC/Passport/Company No. _____ Tel No. _____

CDS Account No. _____ Number of shares held: _____

Address: _____

being a member of SUNMOW HOLDING BERHAD [Registration No. 202001024626 (1380946-V)] hereby appoint:

1. Name of Proxy _____ NRIC/Passport No. _____

Email Address _____

Tel No. _____ Number of shares represented _____

2. Name of Proxy _____ NRIC/Passport No. _____

Email Address _____

Tel No. _____ Number of shares represented _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Extraordinary General Meeting of the Company to be held at The Sales Gallery of Sunmow Headquarter, F-G-01, Bintulu Paragon, Old Airport Place, 97000 Bintulu, Sarawak, Malaysia on Friday, 28 June 2024 at 2.45p.m., or at any adjournment thereof, in the manner as indicated below:

No.	Resolutions	For	Against
1.	Ordinary Resolution 1 PROPOSED RIGHTS ISSUE OF RPS WITH WARRANTS		
2.	Ordinary Resolution 2 PROPOSED PLACEMENT OF RPS		
3.	Special Resolution PROPOSED AMENDMENTS		

Please indicate with an "X" or "√" in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Signature/Seal of the Shareholder(s): _____ Date: _____

Notes:

- All capitalised terms used but not defined in the Ordinary Resolution 1, the Ordinary Resolution 2 and the Special Resolution shall have the meanings set forth in the Company's Circular to shareholders dated 06 June 2024 in relation to the Proposals.**
- Only a depositor whose name appears on the Record of Depositors as at **18 June 2024** shall be entitled to attend, participate, speak and vote at the EGM as well as for appointment of any person(s) as his proxy(ies) to exercise all or any of his rights to attend, participate, speak and vote at the EGM in his stead.
- Where a member appoints more than 1 proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. However, a member shall not, subject to Paragraphs (4) and (5) below, be entitled to appoint more than 2 proxies to attend and vote at the EGM.
- Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of 2 proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member entitled to vote on a resolution has appointed more than 1 proxy, the proxies shall only be entitled to vote on any question at the EGM on poll provided that the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member is a corporation, it may also by resolution of its directors or other governing body authorising a person or persons to act as its representative or representatives to exercise all or any of its rights to attend, participate, speak and vote at the EGM on its stead.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority on the appointed proxy to demand or join in demanding a poll. The instrument appointing a proxy or Proxy Form and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that member, shall be deposited at the office of the Share Registrar of the Company, Bina Management (M) Sdn. Bhd., at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time appointed for holding the EGM or adjourned EGM at which the person named in the instrument proposes to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll as may be provided or permitted under the applicable laws, and in default the instrument of proxy or Proxy Form shall not be treated as valid. Faxed, photocopied and electronically scanned copies of the duly executed Proxy Form are not acceptable.

Fold this flap for sealing

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AFFIX
STAMP

The Share Registrar of
SUNMOW HOLDING BERHAD
c/o Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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