



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30  
JUNE 2024**

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

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

This Half Yearly Report is dated 28 August 2024



**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024<sup>(1)</sup>**

	<b>Unaudited as at 30.06.2024 RM</b>	<b>Audited as at 31.12.2023 RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property and equipment	9,960,314	9,069,058
Investment properties	24,163,537	23,793,996
Property development costs	1,082,746	744,039
	<b>35,206,597</b>	<b>33,607,093</b>
<b>CURRENT ASSETS</b>		
Inventories	1,137,062	368,296
Trade receivables	22,591,106	17,253,860
Contract assets	35,109,893	34,814,190
Property development costs	26,070,550	35,294,587
Other receivables, deposit and prepayments	6,306,367	3,383,064
Fixed deposits with licensed banks	2,604,106	1,669,214
Cash and bank balances	21,778,166	20,921,136
	<b>115,597,250</b>	<b>113,704,347</b>
<b>TOTAL ASSETS</b>	<b>150,803,847</b>	<b>147,311,440</b>



**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
 AS AT 30 JUNE 2024 <sup>(1)</sup> (CONT'D)**

	<b>Unaudited as at 30.06.2024 RM</b>	<b>Audited as at 31.12.2023 RM</b>
<b>EQUITY</b>		
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	38,369,271	33,881,819
	<b>54,079,471</b>	<b>49,592,019</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase liabilities	1,693,943	617,196
Term loans	3,066,274	3,628,395
Deferred tax liabilities	14,206	12,451
	<b>4,774,423</b>	<b>4,258,042</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	43,962,502	43,826,729
Other payables, deposit and accruals	2,596,040	1,801,248
Contract liabilities	34,814,229	39,652,505
Amount owing to directors	307,224	507,224
Hire purchase liabilities	1,070,361	663,255
Term loans	1,178,070	1,134,190
Amount owing to bankers	6,400,000	4,806,000
Current tax liabilities	1,621,527	1,070,228
	<b>91,949,953</b>	<b>93,461,379</b>
<b>TOTAL LIABILITIES</b>	<b>96,724,376</b>	<b>97,719,421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>150,803,847</b> =====	<b>147,311,440</b> =====
Net assets per ordinary share <sup>(2)</sup>	0.23	0.21



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**Notes:**

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended (“FYE”) 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*
2. *Net assets per ordinary share is calculated based on the Company’s number of ordinary shares at the end of the reporting period of 233,940,000 shares.*

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
 OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED  
 30 JUNE 2024<sup>(1)</sup>**

	Individual 6 months ended		Cumulative 6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM	RM	RM	RM
Revenue	74,551,881	50,754,865	74,551,881	50,754,865
Cost of sales	(63,939,924)	(40,922,479)	(63,939,924)	(40,922,479)
Gross profit	10,611,957	9,832,386	10,611,957	9,832,386
Other income	720,428	688,795	720,428	688,795
Administrative expenses	(5,064,345)	(4,152,293)	(5,064,345)	(4,152,293)
Finance costs	(207,267)	(163,126)	(207,267)	(163,126)
Net impairment losses on financial assets and contract assets	(32,419)	43,200	(32,419)	43,200
Profit before taxation	6,028,354	6,248,962	6,028,354	6,248,962
Income tax expense	(1,540,902)	(1,475,157)	(1,540,902)	(1,475,157)
<b>Profit after taxation for the financial period</b>	<b>4,487,452</b>	<b>4,773,805</b>	<b>4,487,452</b>	<b>4,773,805</b>
Attributable to equity holders of the Company:				
- Basic/Diluted earnings per share (sen) <sup>(2)</sup>	1.92	2.04	1.92	2.04



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**Notes:**

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*
2. *Basic earnings per share is calculated based on the Company's share capital of 233,940,000 ordinary shares as at the end of the reporting period. Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options as at the end of the reporting period.*

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024<sup>(1)</sup>**

	Share Capital RM	Merger Deficit RM	Equity Reserves RM	Retained Profits RM	Total Equity RM
<b>At 1.1.2024</b>	<b>38,250,000</b>	<b>(24,539,800)</b>	<b>2,000,000</b>	<b>33,881,819</b>	<b>49,592,019</b>
Profit after taxation for the financial period	-	-	-	4,487,452	4,487,452
<b>At 30.06.2024</b>	<b>38,250,000</b>	<b>(24,539,800)</b>	<b>2,000,000</b>	<b>38,369,271</b>	<b>54,079,471</b>

**Note:**

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*



**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024<sup>(1)</sup>**

	<b>Unaudited 30.06.2024 RM</b>	<b>Unaudited 30.06.2023 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,028,354	6,248,962
Adjustments for:		
Gain on disposal of property and equipment and investment properties	-	(126,497)
Property and equipment written off	503	971
Depreciation for:		
- property and equipment	1,408,085	1,051,151
- investment properties	122,671	122,671
- right-of-use assets	84,315	84,315
Impairment losses on trade receivables	32,419	-
Impairment losses on trade receivables no longer required	-	(43,200)
Interest expense	207,267	163,126
Interest income	(175,539)	(109,723)
Operating profit before working capital changes	7,708,075	7,391,776
Decrease/(Increase) in property development costs	8,885,330	(5,757,268)
Increase in inventories	(768,766)	(312,194)
Increase in trade and other receivables	(1,468,962)	(459,251)
(Decrease)/Increase in contract assets and liabilities	(6,418,872)	2,611,053
(Decrease)/Increase in trade and other payables	(4,603,854)	5,642,521
Cash from operations	3,332,951	9,116,637
Interest expense paid	(202,177)	(163,126)
Interest income received	189,332	111,750
Income tax paid	(1,011,425)	(714,230)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,308,681</b>	<b>8,351,031</b>





**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2024<sup>(1)</sup> (CONT'D)**

	<b>Unaudited 30.06.2024 RM</b>	<b>Unaudited 30.06.2023 RM</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(261,843)	(2,049,263)
Purchase of investment properties	(576,528)	(64,782)
Proceeds from disposal of property and equipment	-	162,500
Increase in fixed deposits pledged to licensed banks	(934,892)	(956,035)
	<b>(1,773,263)</b>	<b>(2,907,580)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Repayment to directors	(200,000)	(295,772)
Drawdown of term loans	49,398	143,121
Decrease in bankers' acceptance	(1,006,000)	(2,116,000)
Increase in revolving credit	2,600,000	2,500,000
Repayment of lease liabilities	(554,147)	(847,473)
Repayment of term loans	(567,639)	(699,825)
	<b>321,612</b>	<b>(1,315,949)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>857,030</b>	<b>4,127,502</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>20,921,136</b>	<b>12,202,070</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>21,778,166</b> =====	<b>16,329,572</b> =====



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**Note:**

1. *The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*
2. *The cash and cash equivalents comprise the following:*

	<b>Unaudited 30.06.2024 RM</b>	<b>Unaudited 30.06.2023 RM</b>
<i>Fixed deposits with licensed banks</i>	2,604,106	3,464,047
<i>Cash and bank balances</i>	21,778,166	15,529,572
	<hr/>	<hr/>
	24,382,272	18,993,619
<i>Less: Fixed deposits pledged to licensed banks</i>	(2,604,106)	(2,664,047)
	<hr/>	<hr/>
	21,778,166	16,329,572
	=====	=====

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024**

---

**A. NOTES TO THE FINANCIAL REPORT**

**A1. BASIS OF PREPARATION**

The interim financial report of Sunmow Holding Berhad (“**Sunmow**” or “**Company**”) and its subsidiaries (“**SMH Group**” or “**Group**”) are unaudited and have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“**MFRSs**”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

These unaudited interim consolidated financial statements should be read in conjunction with the audited financial statements of the Company for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2023.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**A3. SEASONAL AND CYCLICAL FACTORS**

The nature of the Group's businesses was not subject to any significant seasonal and cyclical factors.

**A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

The board of directors of Sunmow ("**Board**") is not aware of any items or incidence of an unusual nature not otherwise dealt with us in this report which may or has substantially affected the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial period under review.

**A5. MATERIAL CHANGES IN ACCOUNTING ESTIMATES**

There were no changes in accounting estimate that had a material effect in the current financial period under review.

**A6. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
 (Registration No. 202001024626 (1380946-V))  
 (Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
 YEAR ENDED 30 JUNE 2024 (CONT'D)**

**A7. SEGMENTAL INFORMATION**

Sunmow is an investment holding company. The principal activities of the subsidiaries are as follows:

- (i) Sunmow Construction Sdn Bhd (“**SMC**”) is principally involved in construction contract works and provision of construction support services;
- (ii) Sunmow Trading Sdn Bhd (“**SMT**”) is principally involved in trading of building materials and tools; and
- (iii) Sunmow Development Sdn Bhd (“**SMD**”) is principally involved in property development.

	<b>Individual 6 months ended</b>		<b>Cumulative 6 months ended</b>	
	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Construction segment <sup>(1)</sup>	40,767,878	36,030,796	40,767,878	36,030,796
Trading segment <sup>(2)</sup>	485,700	326,433	485,700	326,433
Property development segment <sup>(3)</sup>	33,298,303	14,397,636	33,298,303	14,397,636
<b>Total</b>	74,551,881	50,754,865	74,551,881	50,754,865
	=====	=====	=====	=====

All of the Group’s revenue is generated in Malaysia.

**Notes:**

1. *Construction segment comprises of services in relation to construction contract works and provision of construction support.*
2. *Trading segment comprises of trading of building materials and tools.*
3. *Property development segment comprises of services in relation to property development works.*



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**A8. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There were no contingent assets and contingent liabilities as at the end of the financial period under review.

**A9. CAPITAL COMMITMENTS**

There were no material capital commitments as at the end of the financial period under review.

**A10. DIVIDENDS**

There is no dividend declared or proposed as at the date of this report.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

Save as disclosed below, there were no material events subsequent to the end of the financial period under review:

**Joint venture agreement (“JVA”) with Kemena Holdings Sdn Bhd (“KHSB”)**

On 19 August 2024, the Company announced that:

- (i) SMC had on 2 April 2024 entered into a JVA with KHSB for the purpose of submitting tender bid (“**Tender**”) for Projek Sarawak – Sabah Link Road Fasa 2 (“**Project**”), in relation to Package 4B (Bukit Paragon to Long Luping); and

SCSB and KHSB are collectively referred to as the “**JV Parties**”.

- (ii) on 16 August 2024, the JV Parties received a letter of acceptance dated 16 August 2024 from Maltimur Aktif Unggul JV Sdn Bhd, the main contractor for the Project, in relation to the Tender and subcontract works to be performed for Projek Sarawak – Sabah Link Road Fasa 2 for Package 4B (Bukit Pagon to Long Luping).



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE**

**First Half-Year Ended 30 June 2024 (“1<sup>st</sup> Half FYE 2024”) vs First Half-Year Ended 30 June 2023 (“1<sup>st</sup> Half FYE 2023”)**

Sunmow recorded a revenue of RM74.55 million for 1<sup>st</sup> Half FYE 2024 which represents an increase of 46.90% or RM23.80 million as compared to RM50.75 million for 1<sup>st</sup> Half FYE 2023. The increase is mainly contributed by the performance of the Group’s wholly-owned subsidiary, namely Sunmow Development Sdn Bhd (“**SMD**”) which recorded increase in revenues of 131.25% or RM18.90 million.

SMH Group recorded a gross profit (“**GP**”) of RM10.61 million for 1<sup>st</sup> Half of FYE 2024 which represent an increase of 7.93% or RM0.78 million as compared to RM9.83 million for 1<sup>st</sup> Half FYE 2023.

SMH Group recorded administrative expenses of RM5.06 million for 1st Half FYE 2024 which represent an increase of 21.93% or RM0.91 million as compared to RM4.15 million for 1st Half FYE 2023. The increase is mainly contributed by the digital transformation expenses, professional fees incurred in relation to project tendering, corporate proposal and additional depreciation on the new machineries.

The Group recorded a net cash from operating activities of RM2.31 million for the 1<sup>st</sup> Half FYE 2024 which represents a decrease of RM6.04 million from RM8.35 million for 1<sup>st</sup> Half FYE 2023. The cash for investing activities and financing activities for the same period also decrease by RM1.14 million and RM1.64 million respectively.

**[the rest of this page has been intentionally left blank]**





**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS  
(CONT'D)**

**B2. PROSPECTS**

SMH Group has delivered exceptional growth in the 1<sup>st</sup> Half FYE 2024, with revenue surging by 46.90% to RM74.55 million. Our strong performance reflects robust market demand and our strategic investments in key areas. We have strengthened our cash position, now at RM21.78 million, providing us with the flexibility to invest in future opportunities.

However, we are mindful of challenges ahead. Rising cost pressures have led to a decline in the gross margin, which fell by 5.14% to 14.23%. Additionally, our earnings for share decreased by 0.12 sen, bringing it to down to 1.92 sen per share compared to the same period of last year. We remain committed to enhancing operational efficiencies and are confident in our ability to continue delivering sustainable growth in the second half of year 2024.

Continuous improvement in the supply of construction workers and skilled workers, declining magnitude of fluctuation in raw material prices, stable Malaysian Ringgit, competitive borrowing interest rate and a stable government provide a conducive business environment for SMH Group to conduct its business.

The Group is optimistic in registering positive growth for the FYE 31 December 2024.

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**C. OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

Save as disclosed below, there were no corporate proposals announced but pending completion as at the date of this report:

On 12 April 2024, the Company announced that the Company proposes to undertake the following:

- (a) 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**”);
- (b) 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
- (c) 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**”).

On 6 June 2024, the Company issued the circular in relation to the Proposals to the Shareholders. The Company has obtained shareholders’ approval for the Proposals at the extraordinary general meeting held on 28 June 2024.

As at the date of this report, the Proposals are still pending.

**[the rest of this page has been intentionally left blank]**



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**C. OTHER INFORMATION (CONT'D)**

**C2. MATERIAL LITIGATION**

Save as disclosed below, there are no material litigations pending as at the date of this report:

**SMC (“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:

- (a) 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
- (b) 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.



**SUNMOW HOLDING BERHAD**  
(Registration No. 202001024626 (1380946-V))  
(Incorporated in Malaysia under the Companies Act 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST HALF-  
YEAR ENDED 30 JUNE 2024 (CONT'D)**

---

**C. OTHER INFORMATION (CONT'D)**

**C2. MATERIAL LITIGATION (CONT'D)**

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;
- (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.

The matter is fixed for case management on 9 September 2024.

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.

**[the rest of this page has been intentionally left blank]**