



SUNMOW HOLDING BERHAD

(Registration No. 202001024626 (1380946-V))

(Incorporated in Malaysia under the Companies Act 2016)

**ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED (“FYE”) 31 DECEMBER 2025**

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

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

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

This Additional Information is dated 30 April 2026

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

1. REVIEW OF PERFORMANCE

The Group recorded revenue of RM133.76 million for the financial year ended 31 December 2025. While this represents a 13.17% year-on-year decline, it does not reflect the strength of the underlying order book. The Group's order book and project pipeline remain intact.

Notwithstanding the revenue movement, gross profit improved by 28.93% compared to the prior year. This reflects meaningful progress in cost efficiency, project execution, and portfolio mix — demonstrating the Group's ability to generate stronger margins even in a period of measured revenue recognition.

Finance costs were higher during the year, attributable to two distinct components. The first is a non-cash accounting recognition arising from the classification of Redeemable Preference Shares in accordance with MFRS 2, 9, and 132, which does not represent a cash outflow to the Group. The second reflects an increase in project financing drawn down in support of the Group's flagship infrastructure project, the Sarawak–Sabah Link Road Phase 2, Package 4B. This financing underpins the execution of the Group's largest contracted project to date.

A net impairment charge of RM3.53 million was recorded in line with the MFRS 9 expected credit loss framework. This charge arose from delayed progress certification on the Sarawak–Sabah Link Road Phase 2, Package 4B project and is timing-related in nature. The impairment provision is expected to be reversed upon certification and collection of the relevant progress claims, subject to MFRS 9 requirements. It does not reflect any deterioration in project viability or counterparty credit quality.

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PART A – ADDITIONAL INFORMATION REQUIRED UNDER PART B OF APPENDIX 6A OF THE LEAP MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

2. PROSPECTS

The Group's outlook for the coming financial year is cautiously optimistic, supported by a committed order book and the continued progression of its active infrastructure project portfolio.

The improvement in gross profit margins recorded in the current year is expected to be sustainable. This is underpinned by continued cost discipline, a more selective approach to project tendering, and strengthened execution capabilities across the Group's operations. The Board acknowledges that margins may face external pressures from fluctuations in material costs and subcontractor pricing, and will manage these proactively.

Finance costs are expected to remain at an elevated level in the near term, consistent with current financing structures and ongoing project funding requirements. The Board anticipates that these costs will stabilise progressively as project milestones are achieved and the Group's cash flow generation strengthens.

Key risks

The Board has identified the following principal risks for the coming year:

- (i) Cost escalation in materials and labour
- (ii) Tight financing conditions and the prevailing interest rate environment

Strategic Priorities

To sustain and build upon the performance achieved, the Board will pursue the following strategic priorities:

- (i) Accelerate Revenue Recognition
- (ii) Sustain Margin Expansion
- (iii) Strengthen Cash Flow and Liquidity
- (iv) Enhance Risk Management

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PART B – OTHER INFORMATION

1. STATUS OF CORPORATE PROPOSALS

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

2. WARRANT RESERVE

The warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account.

Each warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of RM0.60. The warrants will expire on 30 September 2028. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

As at this report date, a total of 1,666 warrants have been exercised.

3. 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.

PART B – OTHER INFORMATION (CONT'D)

3. MATERIAL LITIGATION (CONT'D)

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

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.

Following the mediation conducted on 17 April 2026, the parties have reached an amicable settlement on the following terms:

- (i) The Defendant agrees to pay a settlement sum of RM380,000.00;
- (ii) A Consent Judgment shall be entered without any admission of liability by either party; and
- (iii) Each party shall bear its own costs.

The parties are presently in the process of finalising the draft Consent Judgment.

4. DIVIDENDS

The Board of Directors had on 31 December 2025 declared a single tier dividend of 1.65 sen per ordinary share in respect of the FYE 2025. The interim dividend amounted to RM3,860,037.48 was paid on 27 March 2026.

5. PRIOR YEAR ADJUSTMENTS

The prior year adjustment arose from the subsidiary, SM Infra Sdn. Bhd., whose comparative figures have been restated to reflect the impact of cost of sales and income tax expenses recorded in inappropriate accounting period. The effects of changes are as follows:

	As previously reported RM	Prior year adjusted RM	As restated RM
Statement of Financial Position (Extract):-			
Other receivables, deposits and prepayments	13,608,407	(25,400)	13,583,007
Retained profits	37,209,007	(19,304)	37,189,703
Current tax liabilities	1,023,993	(6,096)	1,017,897
Statement of Comprehensive Income (Extract):-			
Cost of sales	135,359,501	25,400	135,384,901
Income tax expense	3,149,305	(6,096)	3,143,209
Statement of Cash Flow (Extract):-			
Profit before taxation	10,336,530	(25,400)	10,311,130
(Increase) in trade and other receivables	(13,463,227)	25,400	(13,437,827)