



ES SUNLOGY BERHAD

Registration No. 202301046467 (1540381-T)
(Incorporated in Malaysia)

**2nd QUARTER INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025**

M & A Securities Sdn Bhd ("M&A"), being the Sponsor, was responsible for the admission of ES Sunlogy Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 20 February 2025. M&A assumes no responsibility for the contents of the unaudited interim financial report for the second quarter ended 31 January 2025.

ES SUNLOGY BERHAD

Registration No. 202301046467 (1540381-T)

(Incorporated in Malaysia)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025

	Note	<u>Individual Quarter</u>			<u>Cumulative Quarters</u>		
		31.01.2025 Unaudited RM'000	31.01.2024 Unaudited ⁽²⁾ RM'000	Changes %	31.01.2025 Unaudited RM'000	31.01.2024 Unaudited ⁽²⁾ RM'000	Changes %
Revenue	A9	100,023	N/A	N/A	163,567	N/A	N/A
Cost of sales		(90,613)	N/A	N/A	(146,788)	N/A	N/A
Gross profit		9,410	N/A	N/A	16,779	N/A	N/A
Other income		179	N/A	N/A	259	N/A	N/A
Distribution expenses		(198)	N/A	N/A	(413)	N/A	N/A
Administrative expenses		(2,124)	N/A	N/A	(3,508)	N/A	N/A
Other expenses		(716)	N/A	N/A	(1,261)	N/A	N/A
Reversal of impairment loss on receivables		-	N/A	N/A	445	N/A	N/A
Profit from operations		6,551	N/A	N/A	12,301	N/A	N/A
Finance costs		(1,057)	N/A	N/A	(2,021)	N/A	N/A
Profit before tax	B5	5,494	N/A	N/A	10,280	N/A	N/A
Tax expenses	B6	(1,618)	N/A	N/A	(2,755)	N/A	N/A
Profit after tax/ total comprehensive income for the period		3,876	N/A	N/A	7,525	N/A	N/A
Profit after tax/ total comprehensive income attributable to:							
Owners of the Company		3,901	N/A	N/A	7,548	N/A	N/A
Non-controlling interests		(25)	N/A	N/A	(23)	N/A	N/A
Earnings per share ("EPS")	B7						
- Basic (sen) ⁽³⁾		0.70	N/A		1.35	N/A	
- Diluted (sen) ⁽⁴⁾		0.70	N/A		1.35	N/A	

Notes:

- (1) The basis of preparation of this unaudited consolidated statements of profit or loss and other comprehensive income are detailed in Note A1 of this report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 27 January 2025 ("Prospectus") in relation to the initial public offering ("IPO") as well as the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾ (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025**

- (2) This is the second interim financial report being announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 ("Listing") and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic EPS is calculated based on the profit after tax attributable to owners of the Company divided by the Company's share capital of 560,000,000 ordinary shares but before IPO.
- (4) The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities at the end of the current financial quarter and financial period-to-date under review.
- N/A Not applicable.

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY
2025⁽¹⁾**

	Note	Unaudited As at 31.01.2025 RM'000	Audited As at 31.07.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		98,132	100,161
Right-of-use assets		4,952	4,691
Investment in joint venture		*	*
Total non-current assets		103,084	104,852
Current Assets			
Inventories		3,943	5,406
Trade and non-trade receivables		37,497	42,185
Contract assets		44,321	35,072
Fixed deposits with licensed banks		5,829	5,510
Cash and bank balances		23,418	13,942
Total current assets		115,008	102,115
TOTAL ASSETS		218,092	206,967
EQUITY AND LIABILITIES			
Equity			
Share capital		50,344	*
Invested equity		-	21,310
Retained earnings		43,181	35,633
Merger deficit		(29,034)	-
Equity attributable to owners of the Company		64,491	56,943
Non-controlling interest		119	142
Total equity		64,610	57,085
Liabilities			
Non-current liability			
Borrowings	B10	64,740	66,786
Total non-current liability		64,740	66,786
Current liabilities			
Trade and non-trade payables		58,621	53,581
Contract liabilities		13,130	12,290
Borrowings	B10	14,894	14,734
Tax payables		2,097	2,491
Total current liabilities		88,742	83,096
Total liabilities		153,482	149,882
TOTAL EQUITY AND LIABILITIES		218,092	206,967
Net assets per ordinary share attributable to owners of the Company ⁽²⁾ (RM)		0.12	0.10

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY
2025⁽¹⁾ (CONT'D)**

Notes:

* Represents less than RM1,000.

- (1) The basis of preparation of this unaudited consolidated statements of financial position are detailed in Note A1 of this report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus in relation to the IPO as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on net assets attributable to owners of the Company divided by the Company's share capital of 560,000,000 ordinary shares but before the IPO.

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
 FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025**

	Attributable to owners of the Group				Distributable		Non-Controlling Interest RM'000	Total Equity RM'000				
	Non-Distributable			Distributable								
	Share Capital RM'000	Invested equity RM'000	Merger deficit RM'000	Retained Earnings RM'000								
Balance as at 1 August 2024 (Audited)	*	21,310	-	35,633	142	57,085						
Profit after tax/ total comprehensive income for the financial period	-	-	-	7,548	(23)	7,525						
Shares issued on Acquisition	50,344	(21,310)	(29,034)	-	-	-						
Balance as at 31 January 2025 (Unaudited)	50,344	-	(29,034)	43,181	119	64,610						

Notes:

* Represents less than RM1,000.

- (1) The basis of preparation of the above unaudited condensed consolidated statements of changes in equity are detailed in Note A1 of this report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus in relation to the IPO as well as the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025**

	Unaudited 31.01.2025 RM'000	Unaudited ⁽²⁾ 31.01.2024 RM'000
Cash flows from operating activities		
Profit before tax	10,280	N/A
Adjustments for:		
Depreciation of property, plant and equipment	2,111	N/A
Depreciation of right-of-use assets	239	N/A
Interest expense	2,021	N/A
Gain on disposal of property, plant and equipment	(72)	N/A
Reversal of impairment loss on receivables	(445)	N/A
Interest income	(91)	N/A
Operating profit before changes in working capital	14,043	N/A
Changes in working capital:		
Decrease in inventories	1,463	N/A
Decrease in receivables	5,133	N/A
Increase in contact assets	(9,249)	N/A
Increase in payables	5,056	N/A
Increase in contract liabilities	840	N/A
Cash generated from operations	17,286	N/A
Tax paid	(3,149)	N/A
Net cash from operating activities	14,137	N/A
Cash flows from investing activities		
Interest received	91	N/A
Net change in fixed deposits	(319)	N/A
Acquisition of property, plant and equipment	(82)	N/A
Acquisition of right-of-use assets	(49)	N/A
Acquisition of subsidiary	(50,344)	N/A
Proceeds from disposal of property, plant and equipment	72	N/A
Net cash used in investing activities	(50,631)	N/A
Cash flows from financing activities		
Repayment of term loan	(2,208)	N/A
Repayment of term financing	(34)	N/A
Repayment of lease liabilities	(189)	N/A
Repayment to Directors	(18)	N/A
Issuance of ordinary shares	50,344	N/A
Interest paid	(2,021)	N/A
Net changes in bankers' acceptance	96	N/A
Net cash used in financing activities	45,970	N/A
Net increase in cash and cash equivalents	9,476	N/A
Cash and cash equivalents at beginning of financial period	13,942	N/A
Cash and cash equivalents at end of financial period	23,418	N/A
Cash and cash equivalents comprise of:		
Cash in hand	15	N/A
Cash at bank	23,403	N/A
23,418	N/A	

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025**

Notes:

- (1) The basis of preparation of the unaudited consolidated statements of cash flow are detailed in Note A1 of this report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus in relation to the IPO as well as the accompanying explanatory notes attached to this financial interim report.
- (2) This is the second interim financial report being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.
- N/A Not applicable

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A - NOTES TO THE INTERIM FINANCIAL REPORT**A1. Basis of Preparation**

The interim financial report of the Company and its subsidiaries (collectively, the "**Group**") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Boards ("**MASB**") and Rule 9.22 and Appendix 9B of the Listing Requirement.

There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

The interim financial statements should be read in conjunction with the Accountants' Report as disclosed in the Prospectus in relation to the IPO and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report is consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus.

As at the date of authorisation of this interim financial report the following Standards were issued but not yet effective and have not been adopted by the Group.

Effective for annual periods beginning on or after 1 January 2024***MFRS 7 Financial Instruments: Disclosures and MFRS 107 Statement of Cash Flows***

Amendments to MFRS 7 and 107 - Supplier Finance Arrangements

MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 - Non-current liabilities with Covenants

MFRS 16 Lease Liability

Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback

The adoption of the above MFRSs and amendments to MFRSs are not expected to have any material impact on the financial statements of the Group upon initial application.

Standards issued but yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 31 July 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 July 2024.

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**A - NOTES TO THE INTERIM FINANCIAL REPORT
(CONT'D)****A4. Seasonal or Cyclical Factors**

The Group's operation was not affected by any seasonal or cyclical trend during the current financial quarter and financial period-to-date.

A5. Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material Changes in Estimates

There were no material changes in estimates which have a material effect on the current financial quarter and financial period-to-date under review.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current and cumulative financial quarters under review.

A8. Dividend Paid

There were no dividends paid during the current financial quarter and financial period-to-date.

A9. Segmental Reporting

The Group's revenue is segmented as follows:

<u>Revenue by segments</u>	Individual Quarter		Cumulative Quarters	
	31.01.2025	31.01.2024⁽¹⁾	31.01.2025	31.01.2024⁽¹⁾
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Provision of mechanical and electrical ("M&E") engineering services	90,539	N/A	138,484	N/A
Trading ⁽²⁾	7,703	N/A	21,238	N/A
Generation and sales of renewable energy	1,781	N/A	3,845	N/A
Total	100,023	N/A	163,567	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

- (2) Relates to electrical components such as wire trunking, wires and power cables supplied to the Group's subcontractors for projects which the Group has awarded to them.

N/A Not applicable

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**A - NOTES TO THE INTERIM FINANCIAL REPORT
(CONT'D)****A10. Changes in Composition of the Group**

On 25 July 2024, the Company entered into a conditional share sale agreement with Khor Chuan Meng, Chu Kerd Yee and Datuk Keh Chuan Seng ("**Vendors**") to acquire the entire equity interest in Savelite comprising 3,562,500 ordinary shares for a total purchase consideration of RM50.3 million which was satisfied by the issuance of 559,999,997 new Shares to the Vendors of Savelite at an issue price of RM0.0899 each ("**Acquisition**").

The purchase consideration for the Acquisition of RM50.34 million was arrived after taking into consideration the audited net asset of Savelite as at 31 January 2024 of RM50.36 million.

The Acquisition was completed on 17 December 2024. Thereafter, Savelite became the Company's wholly-owned direct subsidiary.

Save for the above, there were no other material changes in the composition of the Group for the current financial quarter under review.

A11. Contingent Assets and Contingent Liabilities

There were no contingent assets as the date of this interim financial report.

Save as disclosed below, there were no other contingent liabilities as at the date of this interim financial report.

	Unaudited as at 31.01.2025 RM'000
Financial guarantees	12,295
	12,295

A12. Capital Commitments

Save as disclosed below, there were no other material capital commitment incurred or known to be incurred.

	Unaudited as at 31.01.2025 RM'000
Approved and contracted for:	
Development and construction of Selarong LSSPV Plant	52,599
Purchase of ERP System	720
	53,319

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**A - NOTES TO THE INTERIM FINANCIAL REPORT
(CONT'D)****A13. Related Party Transactions**

Save as disclosed below, there were no other significant related party transactions during the current financial quarter and cumulative quarters ended 31 January 2025:

	Individual Quarter		Cumulative Quarters	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.01.2025	31.01.2024⁽¹⁾	31.01.2025	31.01.2024⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
U-Teknik Trading Sdn. Bhd.				
- Sales	42	N/A	92	N/A
- Purchases	(20)	N/A	(135)	N/A
Cena Power Sdn. Bhd.				
- Purchases	(2,135)	N/A	(3,142)	N/A
U-Teknik Trading (KL) Sdn. Bhd.				
- Purchases	(458)	N/A	(1,818)	N/A
Yansnest Sdn. Bhd.				
- Lease of the Junjong Land	(66)	N/A	(132)	N/A
Chu Kerd Yee				
- Rental of store	(21)	N/A	(42)	N/A
Khor Chuan Meng				
- Rental of office	(21)	N/A	(42)	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable

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**A - NOTES TO THE INTERIM FINANCIAL REPORT
(CONT'D)****A14. Material Events Subsequent to the End of the Reporting Period**

In conjunction with the Company's Listing, the Company had on 27 January 2025 issued the Prospectus for its IPO comprising public issue of 140,000,000 new ordinary shares in the Company at an issue price of RM0.30 per share.

Pursuant thereto, the Company's entire enlarged share capital was listed and quoted on the ACE Market of Bursa Securities on 20 February 2025.

Save as disclosed above, there were no material events subsequent to end of the current financial quarter that have not been reflected in this interim financial report.

A15. Valuation of Property, Plant and Equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

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B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
B1. Review of Group Performance

	Individual Quarter				Cumulative Quarters			
	31.01.2025		31.01.2024 ⁽¹⁾		31.01.2025		31.01.2024 ⁽¹⁾	
	Unaudited RM'000	Unaudited RM'000	Variance RM'000	%	Unaudited RM'000	Unaudited RM'000	Variance RM'000	%
Revenue	100,023	N/A	N/A	N/A	163,567	N/A	N/A	N/A
Gross profit	9,410	N/A	N/A	N/A	16,779	N/A	N/A	N/A
Profit before tax ("PBT")	5,494	N/A	N/A	N/A	10,280	N/A	N/A	N/A
Profit after tax ("PAT")	3,876	N/A	N/A	N/A	7,525	N/A	N/A	N/A
Profit attributable to owners of the Company	3,901	N/A	N/A	N/A	7,548	N/A	N/A	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable

The Group recorded revenue of RM100.0 million and a gross profit of RM9.4 million for the current quarter under review. The Group's M&E engineering services segment recorded a revenue of RM90.5 million, representing 90.5% of the total Group's revenue, while the trading segment and the generation and sales of renewable energy segment recorded a revenue of RM7.7 million and RM1.8 million, representing 7.7% and 1.8% of the total Group's revenue respectively, in the current quarter under review.

The Group recorded a PBT of RM5.5 million for the current quarter under review, after deducting distribution expenses, administrative expenses and other expenses of RM3.0 million which mainly consist of staff cost, directors' remuneration, professional fees, traveling expenses and depreciation.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B2. Comparison with the Immediate Preceding Quarter's Result**

	Current Quarter	Preceding Quarter		Variance	%
	31.01.2025	31.10.2024⁽¹⁾			
	Unaudited	Unaudited			
Revenue	100,023	63,544	36,479	57.4	
Gross profit	9,410	7,369	2,041	27.7	
PBT	5,494	4,786	708	14.8	
PAT	3,876	3,649	227	6.2	

The Group recorded a revenue of RM100.0 million for the current quarter, representing an increase of RM36.5 million or 57.4% compared to RM63.5 million in the preceding quarter. The significant growth in revenue was primarily driven by progress claims from the M&E projects. Revenue from the M&E segment rose by RM42.6 million to RM90.5 million, compared to RM47.9 million in the previous quarter.

The higher revenue contributed to an improvement in gross profit for the current quarter.

Profit before tax for the current quarter increased by RM0.7 million or 14.8% to RM5.5 million, compared to RM4.8 million in the preceding quarter. The increase in PBT was mainly attributable to the higher gross profit recorded.

B3. Prospects of the Group

The Group has established a strong presence in Malaysia's M&E engineering industry through its wide range of services and key certifications. As a Class A contractor with the Energy Commission ("EC") and a G7 contractor with CIDB, the Group is qualified for large-scale electrical and construction projects. These credentials, along with its commitment to quality and efficiency, have strengthened client relationships and driven business growth.

With a strong track record in M&E engineering, the Group has built lasting client partnerships, leading to repeat business and referrals. Its G7 registration allows it to bid for and execute projects of unlimited value throughout Malaysia. Additionally, its skilled workforce, including six wiremen and two chargemen registered under the EC, reinforces its technical expertise.

Beyond traditional M&E services, the Group has expanded into renewable energy, particularly solar photovoltaic ("PV") projects. Since 2017, it has installed, tested, and commissioned solar PV systems and is a registered PV Service Provider with the Sustainable Energy Development Authority. The Group operates the Junjong LSSPV Plant and has a joint venture for the Selarong LSSPV Plant, further solidifying its presence in the sector.

As of 31 January 2025, the Group's unbilled order book stood at RM214.5 million, to be progressively recognised in the financial years ending 31 July 2025 and 2026. The M&E engineering sector in Malaysia is poised for growth, driven by infrastructure projects, government initiatives, and increasing demand for automation and smart building solutions. Meanwhile, the renewable energy sector is expanding, backed by policies targeting 40% renewable energy capacity by 2035 and initiatives such as the Corporate Green Power Programme ("CGPP") and large-scale solar ("LSS") projects. Positioned for success, the Group is set to capitalise on these opportunities for long-term sustainable growth.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B3. Prospects of the Group (Cont'd)**

Based on the above, the Board of Directors of the Company is optimistic and positive about the future prospects of the Group.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit estimate, forecast, projection or internal target in any public document for the current financial quarter under review.

B5. Notes to the consolidated statements of profit or loss and other comprehensive income

The following items have been charged/(credited) in arriving at the profit before tax for the current financial quarter and the profit before tax for the financial period-to-date:

Profit before tax is arrived at after charging/(crediting):	Individual Quarter		Cumulative Quarters	
	31.01.2025	31.01.2024⁽¹⁾	31.01.2025	31.01.2024⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
Depreciation of property, plant and equipment	1,054	N/A	2,111	N/A
Depreciation of right-of-use assets	132	N/A	239	N/A
Reversal of impairment loss on receivables	-	N/A	(445)	N/A
Interest income	(55)	N/A	(91)	N/A
Interest expenses	1,057	N/A	2,021	N/A
Rental income	(21)	N/A	(42)	N/A
Rental expense	60	N/A	121	N/A
Gain on disposal of property plant and equipment	(72)	N/A	(72)	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B6. Tax Expenses**

	Individual Quarter		Cumulative Quarters	
	31.01.2025	31.01.2024 ⁽¹⁾	31.01.2025	31.01.2024 ⁽¹⁾
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Current tax expenses	1,618	N/A	2,755	N/A
Total	1,618	N/A	2,755	N/A
Effective tax rate (%) ⁽²⁾	29.5%	N/A	26.8%	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative financial period concerned.
- (2) The higher tax rate was mainly due to the non-deductible expenses arising from the professional fees and depreciation after offsetting with reversal of impairment loss on receivables.

N/A Not applicable

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B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B7. EPS**

	Individual Quarter		Cumulative Quarters	
	31.01.2025	31.01.2024 ⁽¹⁾	31.01.2025	31.01.2024 ⁽¹⁾
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Profit attributable to owners of the Company	3,901	N/A	7,548	N/A
Weighted average number of ordinary shares in issue ('000)	560,000	N/A	560,000	N/A
Basic ⁽²⁾ (sen)	0.70	N/A	1.35	N/A
Diluted EPS ⁽³⁾ (sen)	0.70	N/A	1.35	N/A

Notes:

- (1) This is the second interim financial report being announced in compliance with Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and financial period-to-date as the Company was listed on the ACE Market of Bursa Securities on 20 February 2025 and as such no interim financial report was prepared for the comparative period concerned.
- (2) The basic EPS is calculated based on the profit after tax attributable to owners of the Company divided by the Company's share capital of 560,000,000 ordinary shares but before the IPO.
- (3) The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities at the end of the current financial quarter and financial period-to-date under review.

N/A Not applicable

B8. Status of Corporate Proposals

On 27 January 2025, the Company had issued the Prospectus in relation to the IPO in conjunction with the Listing comprising a public issue of 140,000,000 new Shares and an offer for sale of 70,000,000 existing Shares in the Company at an IPO price of RM0.30 per Share.

Save for the Listing which was completed on the date where the Company was listed on 20 February 2025, there are no other corporate proposals announced by our Company but pending completion as at the date of this unaudited interim financial report.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B9. Utilisation of Proceeds from the IPO**

As at the financial period ended 31 January 2025, the IPO is pending completion and therefore, the said proceeds have yet to be raised and utilised. The proceeds to be raised from the public issue totalling RM42.0million will be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation from the date of Listing
Development and construction of Selarong LSSPV Plant	14,100	N/A	14,100	Within 12 months
Repayment of borrowings	14,000	N/A	14,000	Within 6 months
General working capital	9,180	N/A	9,180	Within 24 months
Purchase of ERP system	720	N/A	720	Within 24 months
Estimated listing expenses	4,000	N/A	4,000	Within 1 month
	42,000	N/A	42,000	

N/A Not applicable

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B10. Borrowings**

The details of the Group's borrowings are as follows:

	Unaudited As at 31.01.2025 RM'000	Audited As at 31.07.2024 RM'000
<u>Current Liabilities</u>		
Secured :		
Term financing	74	76
Term loan	5,631	5,629
Lease liabilities	425	361
Banker's acceptance	8,764	8,668
	14,894	14,734
<u>Non-current Liabilities</u>		
Secured :		
Term financing	1,253	1,285
Term loan	58,771	60,981
Lease liabilities	4,716	4,520
	64,740	66,786
Total	79,634	81,520

All the borrowing are secured and denominated in Ringgit Malaysia.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B11. Material litigation**

As extracted and summarised from Section 12.7.1 of the Prospectus, please find below details on the material litigation of the Group:

(A) Penang High Court Civil Suit No.: PA-22NCvC-56-02/2019**Askey Media Technology Sdn. Bhd. ("Askey") (Plaintiff) and Savelite (Defendant)**

Askey is the registered proprietors of 2 lands known as Hakmilik No. 6681, Lot No. 12146 ("**Plot 73B**") and Hakmilik No. 6685, Lot No. 12145 ("**Plot 73C**") both of Mukim 12, Daerah Barat Daya, Pulau Pinang (both collectively referred to as "**Askey's Lands**"). Plot 73B is a vacant land. Askey vide a letter of award dated 7 March 2016 and a contract dated 29 April 2016, appointed Savelite as the main contractor to renovate a 2-storey office and a 1-storey warehouse of a factory (which includes M&E engineering services) for a contract sum of RM8.60 million ("**the Project**"). The completion date was 4 September 2016 and Askey alleged that Savelite delayed and only completed its work on 15 September 2017.

Askey claimed liquidated ascertained damages ("**LAD**") of the Project, loss of rental income and damages payable to tenant, because Askey was only able to hand over the Lands to Askey's tenant after 16 September 2017.

Savelite filed its defence with counter claim for the sum of RM721,807.00 as the Adjudication Decision on 25 September 2018 allowed Savelite's claim RM721,807.00 ("**Adjudication Decision**"). Savelite withdrew its counter-claim on 7 November 2022 as the Adjudication Decision's sum was released to Savelite.

On 8 January 2024, the High Court allowed Askey's claim as follows:

- (i) Savelite shall pay Askey the sum of RM768,900.00;
- (ii) time was of the essence and no notice is necessary to impose the LAD;
- (iii) Savelite shall pay interest of 5.0% per annum on RM768,900.00 from 4 September 2016 until full settlement;
- (iv) all the other Askey's claims are dismissed; and
- (iv) Savelite pays Askey a cost of RM10,000.00.

("**the Judgement**")

Savelite filed the Notice of Appeal on 8 July 2024 and the Court of Appeal had fixed the hearing on 23 January 2025. Savelite had also filed an application to stay the execution of the Judgement dated 8 January 2024, which was allowed by Penang High Court on 14 March 2024.

The Court of Appeal has fixed 22 May 2025 to deliver the decision for both the above Appeals.

**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**

B11. Material litigation (cont'd)

(B) Penang Sessions Court Civil Suit No.: PA-A52NCVC-33-03/2022

Tenaga Nasional Berhad ("Plaintiff" or "TNB") and Askey ("Defendant") and Savelite ("3rd Party") and Chuan Un Chye (M) Sdn. Berhad ("4th Party")

TNB alleged damages of TNB's cable due to the excavation and piling works conducted by Askey and/or 3rd party for the Project and the damage disrupted the electricity supply to the neighbouring lands. TNB sued Askey for damages of RM129,727.38 for causing damage to TNB's cables located in front of Plot 73C, and an interest sum of 5.0% per annum of RM129,727.38 from the date of judgement and costs. Askey alleged that Savelite should be responsible for the damages as the main contractor and Askey filed third party proceedings against Savelite to indemnify Askey against TNB's claimed amount.

Askey's main defence against TNB are that:

- (i) Savelite is the main contractor, Savelite should be responsible;
- (ii) TNB did not inform Askey of the underground cables running through Plot 73B to Plot 73C;
- (iii) TNB claimed that the damages to the cables occurred in front of Plot 73C, however, there were no digging and piling works carried out in front of Plot 73C;
- (iv) Askey was forced/under duress by Savelite to sign a letter dated 20 July 2017 prepared by Savelite to enable a claim against third party insurance or claim under Contractor's All Risk Insurance to Am General Insurance Berhad on the damaged cables.

On 15 November 2022, Savelite filed 4th Party Proceedings against the 4th Party for damages caused to the TNB cables for the claimed amount. The 4th Party is a subcontractor appointed by Savelite for piling works of the Project.

The next trials are fixed on 9 to 11 July 2025.

(C) Savelite ("Claimant") and Itramas Technology Sdn. Bhd. ("Respondent" or "Itramas")

**CIPAA Proceedings
Adjudication Reference No. AIAC/D/ADJ-3042-2020**

Itramas was appointed by Scatec Solar Solutions Malaysia Sdn Bhd ("**Scatec Solar**") for part of the works for a solar project on Lot PT 10905 – 10912 and PT 10921 – PT 10939, Mukim Ayer Puteh, Daerah Pendang, Kedah Darul Aman' ("**Solar Project**"). By a letter of award dated 19 January 2018 ("**Letter of Award**"), Savelite was appointed as subcontractor by Itramas to carry out electrical works for the Solar Project ("**Contract Works**") for a contract sum of RM9,069,255.58 ("**the Contract**"). The completion date of the Contract Works was on 28 March 2018. On 2 January 2020, Savelite issued its payment claim against Itramas for the balance outstanding sum of RM2,577,081.62 under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("**CIPAA**"). However, Itramas failed to pay Savelite the amount due.

**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**

B11. Material litigation (cont'd)

Savelite ("Claimant") and Itramas Technology Sdn. Bhd. ("Respondent" or "Itramas") (continued)

CIPAA Proceedings

Adjudication Reference No. AIAC/D/ADJ-3042-2020

After which, Savelite had on 21 January 2020 issued a Notice of Adjudication. An Adjudicator was appointed to determine the dispute. In the same CIPAA proceedings, Itramas disputed Savelite's claim and alleged that Savelite delay in completing the Contract Works, and only completed on 26 December 2018. On 10 March 2020, Itramas cross claimed against Savelite for a liquidated and ascertained damages ("LAD") of RM1,846,182.03. On 13 April 2020, the Adjudicator dismissed Itramas' LAD claim and allowed Savelite's claim of RM2,577,081.62 against Itramas with interest and costs ("CIPAA Decision"). However, Itramas failed to pay.

High Court Proceedings Post CIPAA Decision

Arising from the CIPAA Decision, Savelite filed a fresh suit at the Shah Alam High Court on 5 June 2020 to enforce the CIPAA Decision against Itramas for payment.

Itramas was dissatisfied with the CIPAA Decision, and subsequently filed 2 suits on 21 May 2020 and 1 July 2020 respectively at the Shah Alam High Court against Savelite to set aside the CIPAA Decision and to stay the execution of the CIPAA Decision pending setting aside of CIPAA Decision and conclusion of the arbitration proceedings.

On 6 May 2021, the Shah Alam High Court allowed Itramas to set aside the CIPAA Decision. The Shah Alam High Court also allowed Itramas and stayed the CIPAA Decision pending Arbitration proceedings. The Shah Alam High Court dismissed Savelite's suit with costs of RM15,000.00 to be paid by Savelite and Savelite could not enforce the CIPAA Decision ("**the High Court decisions**").

The Shah Alam High Court's main ground of setting aside the CIPAA Decision was that the Adjudicator was bias and acted unfairly in its CIPAA Decision. Savelite's solicitors are of the view that the High Court was wrong in its decision and Savelite filed an appeal to the Court of Appeal.

Court of Appeal Proceedings from the High Court Decisions

This Court of Appeal proceedings were derived from the High Court Decisions. On 28 March 2022, the Court of Appeal found that there was no actual biasness by the Adjudicator but in the procedure, the Adjudicator was unfair towards Itramas and hence allowed Savelite's appeal in part. The Court of Appeal ordered Itramas to pay Savelite a sum of RM730,899.59, 30.0% of the costs awarded in the adjudication proceedings amounting to RM24,617.49 and interest at the rate of 6.65% per annum on the sum of RM730,899.59, calculated from 13 April 2020 ("**the COA Order**"). As a result of the COA Order, Itramas made a payment of RM867,907.41 (comprising of RM730,899.59, interests of RM112,390.33 and costs of RM24,617.49) to Savelite in August 2022. Savelite claims for the outstanding sum in the amended counter-claim below.

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**B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B11. Material litigation (cont'd)**

Savelite ("Claimant") and Itramas Technology Sdn. Bhd. ("Respondent" or "Itramas") (cont'd)

CIPAA Proceedings

Adjudication Reference No. AIAC/D/ADJ-3042-2020 (cont'd)

Arbitration Proceedings

Reference No. AIAC/D/ADM-956-2021

In relation to the stay of the CIPAA Decision pending Arbitration proceedings above, Itramas issued a Notice of Arbitration on 25 January 2021 seeking for LAD of RM1,846,182.03 and a further sum of RM41,070.00 for alleged defect rectification. Savelite served its response to the Notice of Arbitration on 24 February 2021. After taking into account the principal payment sum of RM730,899.59 made by Itramas in August 2022, Savelite amended its counterclaim in the Arbitration proceedings to RM2,154,038.18 (comprising the sum of RM1,846,182.03 for the work done and the second tranche of the retention sum of RM307,856.15).

The hearings are fixed from 8 December 2025 to 9 December 2025 and 11 December 2025 to 12 December 2025.

B12. Dividends

No dividends were declared or recommended for payment by the Board of Directors of the Company during the current financial quarter under review.

B13. Derivative Financial Instruments

The Group did not enter into any derivatives during the current financial quarter under review.

B14. Authorisation for Issue

This interim financial report was authorised for issue on 27 March 2025 by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors.

**BY ORDER OF THE BOARD
ES SUNLOGY BERHAD**