**ES SUNLOGY BERHAD ("ES SUNLOGY" OR "COMPANY")**

**VARIATION TO UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING OF THE COMPANY**

## 1. Introduction

In conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 20 February 2025 ("**Date of Listing**"), the Company undertook an initial public offering ("**IPO**") which raised gross proceeds of approximately RM42.0 million for the Company from the public issue of new shares ("**IPO Proceeds**").

The Board of Directors ("**Board**") of ES Sunlogy wishes to announce that it has resolved to approve and vary the purpose for the utilisation of IPO Proceeds ("**Variation**").

## 2. Details of the Variation

As at 31 January 2026, being the latest practicable date, the Company and its subsidiaries ("**the Group**") have utilised approximately RM38.99 million from the total of IPO Proceeds whilst the balance IPO Proceeds is approximately RM3.01 million.

The details of the Variation to the IPO Proceeds are as follows:-

| **Details of Use of Proceeds** | **Proposed Utilisation RM'000** | **Actual Utilisation RM'000** | **Balance Unutilised RM'000** | **Variation of utilisation of proceeds RM'000** | **Revised balance of proceeds to be utilised after the Variation RM'000** | **Timeframe for utilisation from Date of Listing** |
|---|---|---|---|---|---|---|
| Development and construction of Selarong Large Scale Solar Photovoltaic ("**LSSPV**") Plant | 14,100 | (11,600) | 2,500 | (2,500) | - | Within 12 months |
| Repayment of borrowings | 14,000 | (14,000) | - | - | - | Within 6 months |
| General working capital | 9,180 | (8,881) | 299 | (1)<br>*2,500 | 2,798 | Within 24 months |
| Purchase of enterprise resource planning (ERP) system | 720 | (505) | 215 | - | 215 | Within 24 months |
| Estimated listing expenses | 4,000 | (4,001) | (1) | 1 | - | Within 1 month |
| **Total** | **42,000** | **(38,987)** | **3,013** | | **3,013** | |

The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 27 January 2025.

Note:-

* The detailed breakdown of the revised utilisation for general working capital is as follows:-

| **Details** | **Balance Unutilised RM'000** | **Variation of utilisation of proceeds RM'000** | **Revised balance of proceeds to be utilised after the Variation RM'000** |
|---|---|---|---|
| Expansion of workforce | 299 | (1) | 298 |
| Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, transformers, generator sets and other electrical components) | - | 2,500 | 2,500 |
| **Total** | **299** | **2,499** | **2,798** |

## 3. Rationale for the Variation

a) The allocated proceeds for estimated listing expenses were insufficient for the Company's listing expenses due to the effect of Sale and Service Tax (SST) which was not budgeted for and hence, an approximately RM1,000 was funded from the amount allocated for the general working capital.

b) The allocated proceeds for development and construction of Selarong LSSPV Plant had been achieved, resulting in excess funds of RM2.5 million.

After due deliberation, the Company has decided to re-allocate the IPO Proceeds of RM2.5 million from the development and construction of Selarong LSSPV Plant to general working capital for the purchase of materials required for both ongoing and future projects of the Group, as it is the Company's largest cost of sales items, contributing between 51.1% and 67.3% in the financial year ended 31 July 2021 to 2025.

## 4. Effects of the Variation

The Variation will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company nor any immediate effect on the net assets per share, gearing and earnings per share of the Company.

The Variation is expected to contribute positively to the future earnings as the Company will be able to utilise the funds to finance its working capital requirements in tandem with the expected growth in the Group's business and operations as well as reduce its dependency on external financing and allow the Group to undertake more projects for mechanical and electrical (M&E) engineering services concurrently.

## 5. Approval required

The Variation of RM2.5 million or approximately 5.95% of the total of IPO Proceeds is less than 25% and does not constitute a material change to the utilisation of proceeds in accordance with Rule 8.24(2)(a) of the ACE Market Listing Requirements of Bursa Securities.

Therefore, the Variation is not subject to any approval by regulatory authorities or shareholders of the Company. Nonetheless, the Board shall continue to be vigilant and prudent in managing the remaining IPO Proceeds and will continue to disclose the status of the utilisation of the IPO Proceeds in its quarterly reports and annual report until full utilisation.

## 6. Interests of Directors, Major Shareholders, Chief Executive and/or Persons Connected with them

None of the Directors, Major Shareholders, Chief Executive of ES Sunlogy and/or persons connected with them have any interest, direct or indirect, in the Variation.

## 7. Statement from the Board

The Board of ES Sunlogy having considered all aspects of the Variation, is of the opinion that the Variation is in the best interest of the Company.

This announcement is dated 4 February 2026.