ES SUNLOGY BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

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 2026.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME[1]
FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

		Individual Quarter			Cumulative Quarters		
	Note	31.01.2026 Unaudited RM'000	31.01.2025 Unaudited RM'000	Changes %	31.01.2026 Unaudited RM'000	31.01.2025 Unaudited RM'000	Changes %
Revenue	A9	42,784	100,023	-57.2%	106,979	163,567	-34.6%
Cost of sales		(36,562)	(90,613)	-59.7%	(93,150)	(146,788)	-36.5%
Gross profit		**6,222**	**9,410**	**-33.9%**	**13,829**	**16,779**	**-17.6%**
Other income		174	179	-2.8%	386	259	49.0%
Distribution expenses		(162)	(198)	-18.2%	(356)	(413)	-13.8%
Administrative expenses		(2,584)	(2,124)	21.7%	(4,515)	(3,508)	28.7%
Other expenses		(858)	(716)	19.8%	(1,314)	(1,261)	4.2%
Net gain of impairment on receivables		5	-	100.0%	5	445	-98.9%
Profit from operations		**2,797**	**6,551**	**-57.3%**	**8,035**	**12,301**	**-34.7%**
Finance costs		(872)	(1,057)	-17.5%	(1,732)	(2,021)	-14.3%
Profit before tax	B5	**1,925**	**5,494**	**-65.0%**	**6,303**	**10,280**	**-38.7%**
Tax expenses	B6	(561)	(1,618)	-65.3%	(1,653)	(2,755)	-40.0%
Profit after tax/ total comprehensive income for the period		**1,364**	**3,876**	**-64.8%**	**4,650**	**7,525**	**-38.2%**
Profit after tax/ total comprehensive income attributable to:							
Owners of the Company		1,353	3,901	-65.3%	4,612	7,548	-38.9%
Non-controlling interests		11	(25)	144.0%	38	(23)	265.2%
		1,364	**3,876**	**-64.8%**	**4,650**	**7,525**	**-38.2%**
Earnings per share ("**EPS**")	B7						
- Basic (sen)[2]		0.19	0.55		0.66	1.08	
- Diluted (sen)[3]		0.19	0.55		0.66	1.08	

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 Company's audited financial statements for the financial year ended 31 July 2025 as well as the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME[(1)] (CONT'D)
FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

Notes: (cont'd)

(2) Basic EPS is calculated based on the profit after tax attributable to owners of the Company divided by the Company's share capital of 700,000,000 ordinary shares after initial public offering ("**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.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2026[1]

	Note	Unaudited As at 31.01.2026 RM'000	Audited As at 31.07.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		94,348	96,114
Right-of-use assets		5,823	4,700
Investment in joint venture		11,307	11,307
Other investment		271	-
Total non-current assets		**111,749**	**112,121**
Current Assets			
Inventories		4,883	3,171
Trade and non-trade receivables		49,421	60,891
Contract assets		65,417	77,739
Tax recoverable		37	22
Fixed deposits with licensed banks		8,495	7,246
Cash and bank balances		5,632	18,265
Total current assets		**133,885**	**167,334**
TOTAL ASSETS		**245,634**	**279,455**
EQUITY AND LIABILITIES			
Equity			
Share capital		90,369	90,369
Retained earnings		55,647	51,035
Merger deficit		(29,034)	(29,034)
Equity attributable to owners of the Company		**116,982**	**112,370**
Non-controlling interest		437	399
Total equity		**117,419**	**112,769**
Liabilities			
Non-current liability			
Borrowings	**B10**	59,675	61,738
Total non-current liability		**59,675**	**61,738**
Current liabilities			
Trade and non-trade payables		35,797	73,830
Contract liabilities		10,614	12,453
Borrowings	**B10**	19,947	17,679
Tax payables		2,182	986
Total current liabilities		**68,540**	**104,948**
Total liabilities		**128,215**	**166,686**
TOTAL EQUITY AND LIABILITIES		**245,634**	**279,455**
Net assets per ordinary share attributable to owners of the Company[2] (RM)		0.17	0.16

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2026(1) (CONT'D)

Notes:

(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 Company's audited financial statements for the financial year ended 31 July 2025 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 700,000,000 ordinary shares after IPO.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]
FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

	Attributable to owners of the Group				
	Non-Distributable		Distributable		
	Share Capital RM'000	**Merger deficit RM'000**	**Retained Earnings RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
Balance as at 1 August 2024 (Audited)	*****	**-**	**(96)**	**-**	**(96)**
Profit after tax/ total comprehensive income for the financial period	-	-	15,402	(6)	15,396
Increase in investment in subsidiary[2]	-	-	-	263	263
Incorporation of a subsidiary	-	-	-	*	*
Effect of restructuring exercise	50,344	(29,034)	35,729	142	57,181
Public issue	42,000	-	-	-	42,000
Share issuance expenses	(1,975)	-	-	-	(1,975)
Balance as at 31 July 2025 (Audited)	**90,369**	**(29,034)**	**51,035**	**399**	**112,769**
Balance as at 1 August 2025 (Audited)	**90,369**	**(29,034)**	**51,035**	**399**	**112,769**
Profit after tax/ total comprehensive income for the financial period	-	-	4,612	38	4,650
Balance as at 31 January 2026 (Unaudited)	**90,369**	**(29,034)**	**55,647**	**437**	**117,419**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[(1)] (CONT'D)
FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

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 Company's audited financial statements for the financial year ended 31 July 2025 as well as the accompanying explanatory notes attached to this interim financial report.

(2) Being capital injection of total RM2.6 million by Savelite Engineering Sdn. Bhd. ("**Savelite**"), Fraser Construction Sdn. Bhd. ("**Fraser**") and Moderntent Development Sdn. Bhd. ("**Moderntent**") into Energy ES Sdn. Bhd., a 90.0%-owned subsidiary of the Group (held through Savelite). Fraser's and Moderntent's portion of the capital contributions are RM0.3 million, representing 10.0% of the shareholdings.

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS[(1)]
FOR THE SECOND QUARTER ENDED 31 JANUARY 2026

	Unaudited 31.01.2026	Unaudited 31.01.2025
Cash flows from operating activities	**RM'000**	**RM'000**
Profit before tax	6,303	10,280
Adjustments for:		
Depreciation of property, plant and equipment	2,105	2,111
Depreciation of right-of-use assets	358	239
Interest expense	1,732	2,021
Written off of property, plant and equipment	1	-
Gain on disposal of property, plant and equipment	(132)	(72)
Net gain of impairment loss on receivables	(5)	(445)
Interest income	(42)	(91)
Operating profit before changes in working capital	**10,320**	**14,043**
Changes in working capital:		
(Increase)/Decrease in inventories	(1,711)	1,463
Decrease in receivables	11,470	5,133
Decrease/(Increase) in contract assets	12,322	(9,249)
(Decrease)/Increase in payables	(37,431)	5,056
Decrease in provision	(563)	-
(Decrease)/Increase in contract liabilities	(1,840)	840
Cash (used in)/generated from operations	(7,433)	17,286
Tax refunded	1,493	-
Tax paid	(1,966)	(3,149)
Net cash (used in)/from operating activities	**(7,906)**	**14,137**
Cash flows from investing activities		
Interest received	42	91
Net change in fixed deposits	(1,249)	(319)
Acquisition of property, plant and equipment	(351)	(82)
Acquisition of right-of-use assets	(195)	(49)
Acquisition of subsidiary	-	(50,344)
Proceeds from disposal of property, plant and equipment	143	72
Other investment	(271)	-
Net cash used in investing activities	**(1,881)**	**(50,631)**
Cash flows from financing activities		
Repayment of term loan	(2,834)	(2,208)
Repayment of term financing	(37)	(34)
Repayment of lease liabilities	(259)	(189)
Repayment to directors	(33)	(18)
Issuance of ordinary shares	-	50,344
Interest paid	(1,732)	(2,021)
Net changes in bankers' acceptance	2,049	96
Net cash (used in)/from financing activities	**(2,846)**	**45,970**
Net (decrease)/increase in cash and cash equivalents	(12,633)	9,476
Cash and cash equivalents at beginning of financial period	18,365	13,942
Cash and cash equivalents at end of financial period	**5,732**	**23,418**
Cash and cash equivalents comprise of:		
Cash in hand	24	15
Cash at bank	5,608	23,403
Fixed deposit with licensed bank less than 3 months	100	-
	5,732	**23,418**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS[1] (CONT'D)
FOR THE FIRST QUARTER ENDED 31 JANUARY 2026

Note:

(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 Company's audited financial statements for the financial year ended 31 July 2025 as well as the accompanying explanatory notes attached to this financial interim report.

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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 ACE Market Listing Requirements ("**Listing Requirements**").

The interim financial statements should be read in conjunction with the Company's audited financial statements for the financial year ended 31 July 2025 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 Company's audited financial statements for the financial year ended 31 July 2025.

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 2025

MFRS 121 The Effects of Changes in Foreign Exchange Rates
Amendments to MFRS 121 - Lack of Exchangeability

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 2026 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 2025.

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, cancellations, repurchases, resale and repayment of debts and equity during the current financial quarter and financial period-to-date 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:

	Individual Quarter		**Cumulative Quarters**	
	31.01.2026 Unaudited RM'000	**31.01.2025 Unaudited RM'000**	**31.01.2026 Unaudited RM'000**	**31.01.2025 Unaudited RM'000**
Revenue by segments				
Provision of mechanical and electrical ("**M&E**") engineering services	38,542	90,539	98,819	138,484
Trading[(1)]	2,188	7,703	3,857	21,238
Generation and sales of renewable energy	2,054	1,781	4,303	3,845
Total	**42,784**	**100,023**	**106,979**	**163,567**

Note:

(1) 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.

A - NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A10. Changes in Composition of the Group

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 31.01.2026 RM'000
Financial guarantees	9,554
	9,554

A12. Capital Commitments

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

	Unaudited as at 31.01.2026 RM'000
Approved and contracted for:	
Purchase of enterprise resource planning ("**ERP**") System	215
Purchase of a piece of land at Bukit Kayu Hitam, Kedah	3,177
	3,392
Approved but not contracted for:	
Share premium for Baram Project, Sarawak	4,650
	8,042

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 financial period-to-date:

	Individual Quarter		Cumulative Quarters	
	Unaudited 31.01.2026 RM'000	**Unaudited 31.01.2025 RM'000**	**Unaudited 31.01.2026 RM'000**	**Unaudited 31.01.2025 RM'000**
U-Teknik Trading Sdn. Bhd.				
- Sales	41	42	78	92
- Purchases	(88)	(20)	(262)	(135)
Cena Power Sdn. Bhd.				
- Purchases	(358)	(2,135)	(872)	(3,142)
U-Teknik Trading (KL) Sdn. Bhd.				
- Purchases	(230)	(458)	(2,695)	(1,818)
Yansnest Sdn. Bhd.				
- Lease of the Junjong Land	(66)	(66)	(132)	(132)
Chu Kerd Yee				
- Rental of store	(21)	(21)	(42)	(42)
Khor Chuan Meng				
- Rental of office	(21)	(21)	(42)	(42)

A14. Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to be 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.

B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Group Performance

	Individual Quarter				Cumulative Quarters			
	31.01.2026 Unaudited RM'000	31.01.2025 Unaudited RM'000	Variance RM'000	%	31.01.2026 Unaudited RM'000	31.01.2025 Unaudited RM'000	Variance RM'000	%
Revenue	42,784	100,023	(57,239)	-57.2%	106,979	163,567	(56,588)	-34.6%
Gross profit	6,222	9,410	(3,188)	-33.9%	13,829	16,779	(2,950)	-17.6%
Profit before tax ("**PBT**")	1,925	5,494	(3,569)	-65.0%	6,303	10,280	(3,977)	-38.7%
Profit after tax ("**PAT**")	1,364	3,876	(2,512)	-64.8%	4,650	7,525	(2,875)	-38.2%
Profit attributable to owners of the Company	1,353	3,901	(2,548)	-65.3%	4,612	7,548	(2,936)	-38.9%

Individual quarter

The Group recorded revenue of RM42.8 million for the current quarter, representing a 57.2% decrease from RM100.0 million in the preceding year's corresponding quarter. This variance is primarily attributable to the timing of project lifecycles as the current quarter reflects the initial mobilisation and commencement phases of new contracts; whereas the preceding year's corresponding quarter benefited from the peak completion and handover phases of major projects, resulting in higher revenue recognition. Consequently, revenue from the M&E segment reduced to RM38.5 million from RM90.5 million as work fronts reset to early-stage milestones.

As a result of the lower revenue, PBT decreased by 65.0% from RM5.5 million to RM1.9 million, while PAT declined by 64.8% from RM3.9 million to RM1.4 million. However, the Group achieved a higher gross profit margin from 9.4% to 14.5%.

Cumulative quarters

The Group reported revenue of RM107.0 million for the cumulative quarters, representing a 34.6% decline from RM163.6 million in the preceding year's corresponding cumulative quarters. This reduction primarily reflects the transition of the Group's projects to early implementation phases, compared to the revenue-intensive completion stages in the prior period, which drove higher recognition then.

Revenue decreased mainly due to lower contributions from the M&E segment, which fell from RM138.5 million to RM98.8 million, in line with project lifecycle dynamics. The trading segment also contributed to the decline due to the one-off transactions involving the sale of goods to subcontractors for certain projects undertaken, to maintain product quality and ensure compliance with project specifications in the preceding year's corresponding cumulative quarters.

As a result of the lower revenue volume, PBT decreased by 38.7% from RM10.3 million to RM6.3 million, while PAT declined by 38.2% from RM7.5 million to RM4.7 million. However, the Group achieved a higher gross profit margin from 10.3% to 12.9%.

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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 31.01.2026 Unaudited RM'000	Preceding Quarter 31.10.2025 Unaudited RM'000	Variance RM'000	Variance %
Revenue	42,784	64,195	(21,411)	-33.4%
Gross profit	6,222	7,607	(1,385)	-18.2%
PBT	1,925	4,378	(2,453)	-56.0%
PAT	1,364	3,286	(1,922)	-58.5%

The Group's revenue declined from RM64.2 million to RM42.8 million, representing a 33.4% decrease, reflecting the natural timing of project billing cycles, which resulted in lower revenue being recognised during the period.

Gross profit correspondingly decreased by 18.2% from RM7.6 million to RM6.2 million, reflecting the reduction in revenue recognised during the current quarter.

As a result of the lower revenue, PBT decreased by 56.0% from RM4.4 million to RM1.9 million, while PAT declined by 58.5% from RM3.3 million to RM1.4 million. However, the Group achieved a higher gross profit margin from 11.8% to 14.5%.

Overall, the current quarter's performance remains supported by ongoing project activities and the Group's continued operational progress.

B3. Prospects of the Group

The Group's outlook remains robust, supported by the steady contributions from its renewable energy and M&E businesses. Solar generation is performing within expectations, delivering stable recurring revenue and reinforcing the Group's strong positioning in the clean energy market. The recent establishment of the Group's Singapore subsidiary expands its regional presence, providing enhanced access to infrastructure opportunities across neighbouring markets.

The Group continues to prioritise operational excellence through efficient project delivery, cost optimisation, and sustained engagement with clients and partners. A healthy portfolio of ongoing projects, coupled with a promising pipeline of tenders under evaluation, offers clear visibility into near-term activity and growth potential in the Group's core segments.

Industry trends favouring renewable energy adoption, energy efficiency solutions, and elevated sustainability standards create a positive operating environment. Internally, the Group is advancing its sustainability practices, governance structures, and reporting frameworks to align with evolving regulations. These efforts, alongside the Group's proven expertise and growing market footprint, position us well for consistent progress and long-term shareholder value.

The Board of Directors remains optimistic about the Group's future prospects.

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.

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

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 for the financial period-to-date:

	Individual Quarter		Cumulative Quarters	
	31.01.2026 Unaudited RM'000	**31.01.2025 Unaudited RM'000**	**31.01.2026 Unaudited RM'000**	**31.01.2025 Unaudited RM'000**
Profit before tax is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	1,054	1,054	2,105	2,111
Depreciation of right-of-use assets	196	132	358	239
Net gain of impairment on receivables	(5)	-	(5)	(445)
Interest income	(10)	(55)	(42)	(91)
Interest expenses	872	1,057	1,732	2,021
Rental income	(4)	(21)	(16)	(42)
Rental expense	50	60	101	121
Gain on disposal of property plant and equipment	(132)	(72)	(132)	(72)
Written off of property, plant and equipment	1	-	1	-

B6. Tax Expenses

	Individual Quarter		Cumulative Quarters	
	31.01.2026 Unaudited RM'000	**31.01.2025 Unaudited RM'000**	**31.01.2026 Unaudited RM'000**	**31.01.2025 Unaudited RM'000**
Current tax expenses	561	1,618	1,653	2,755
Total	**561**	**1,618**	**1,653**	**2,755**
Effective tax rate (%)[(1)]	**29.1**	**29.5**	**26.2**	**26.8**
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Note:

(1) The higher tax rate was mainly due to the non-deductible expenses arising from the professional fees, depreciation and others for tax purposes.

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

B7. EPS

	Individual Quarter		Cumulative Quarters	
	31.01.2026 Unaudited RM'000	**31.01.2025 Unaudited RM'000**	**31.01.2026 Unaudited RM'000**	**31.01.2025 Unaudited RM'000**
Profit attributable to owners of the Company	1,353	3,901	4,612	7,548
Weighted average number of ordinary shares in issue ('000)	700,000	700,000	700,000	700,000
Basic(1) (sen)	0.19	0.55	0.66	1.08
Diluted EPS(2) (sen)	0.19	0.55	0.66	1.08

Notes:

(1) 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 700,000,000 ordinary shares.

(2) 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.

B8. Status of Corporate Proposals

There were no other corporate proposals pending completion as at the date of this 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

In conjunction with the IPO, the Company has raised gross proceeds from the public issue amounting to RM42.0 million. The proceeds will be utilised in the following manner:

Utilisation of proceeds	Proposed utilisation	Deviation	Actual utilisation	Balance to be utilised	[1]Estimated timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
Development and construction of Selarong LSSPV Plant	14,100	[2](2,500)	11,600	-	Within 12 months
Repayment of borrowings	14,000	-	14,000	-	Within 6 months
General working capital	9,180	[2]2,499	8,881	2,798	Within 24 months
Purchase of ERP system	720	-	505	215	Within 24 months
Estimated listing expenses	4,000	[2]1	4,001	-	Within 1 month
	42,000	**-**	**38,987**	**3,013**	

Notes:

(1) From the date of listing of the Company.

(2) On 4 February 2026, the Company announced that the RM2.50 million earmarked for the development and construction of Selarong LSSPV Plant was reallocated to working capital requirements, whilst maintaining the initial timeframe for its utilisation and RM0.01 million was reallocated to the estimated listing expenses.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 27 January 2025 ("**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 31.01.2026 RM'000	Audited As at 31.07.2025 RM'000
Current Liabilities		
Secured :		
Term financing	81	79
Term loan	5,653	5,647
Lease liabilities	563	352
Banker's acceptance	13,650	11,601
	19,947	**17,679**
Non-current Liabilities		
Secured :		
Term financing	1,170	1,209
Term loan	53,111	55,951
Lease liabilities	5,394	4,578
	59,675	**61,738**
Total	**79,622**	**79,417**

All the borrowing are secured and denominated in Ringgit Malaysia.

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) 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)

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

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.

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

B11. Material litigation (cont'd)

(A) Savelite ("Claimant") and Itramas Technology Sdn. Bhd. ("Respondent" or "Itramas") (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 Hearing has concluded on 8 December 2025, during which both parties' experts have given their evidence.

The Arbitrator has given the following directions:

- Parties are to finalise and submit the Notes of Proceedings ("**NOP**") for the Hearing on 8 December 2025;
- Parties' solicitors are to submit their respective Written Submissions within four (4) months from the date the finalised NOP is submitted;
- Parties' solicitors are to submit their respective Reply Submissions within two (2) months from the date of the Written Submissions; and
- The Arbitrator shall deliver his arbitral award (decision) within three (3) months from the date of the Reply Submissions.

The hearing dates previously fixed for 9 December 2025, 11 December 2025 and 12 December 2025 have been vacated. The Company will make further announcements as and when there are material developments on the above matter.

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.

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

B14. Authorisation for Issue

This interim financial report was authorised for issue on 26 March 2026 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