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

PROPOSED PRIVATE PLACEMENT

We refer to the Company's earlier announcements dated 27 April 2026 and 28 April 2026 in relation to the Proposed Private Placement ("**Earlier Announcement(s)**"). Unless otherwise stated, all defined terms in this announcement shall carry the same meanings as defined in the Earlier Announcements.

On behalf of the Board of ES Sunlogy, M&A Securities wishes to announce the following additional information in relation to the Proposed Private Placement as follows:

1. FINANCIAL INFORMATION

1.1 Details of cash and cash equivalents of the Group as at LPD and reason for the substantial decrease from the beginning of the financial period i.e. RM18.365 million based on the second quarterly results for the financial period ended 31 January 2026 ("2nd QR").

	As at 1 August 2025	As at LPD	Variance	
	RM'000	RM'000	RM'000	%
Cash and bank balances	18,265	4,288	(13,977)	(77.0%)
Fixed deposits less than 3 months	100	100	-	-
	18,365	**4,388**	**(13,977)**	**(77.0%)**

The substantial decrease in cash and cash equivalents was mainly attributable to payments made to suppliers and subcontractors for materials purchased and subcontracting works performed during FYE 2025, which was due for settlement in the 6-month FPE 31 January 2026. This is reflected in the reduction of trade and other payables by RM38.03 million, from RM73.83 million to RM35.80 million (as disclosed in the 2nd QR), following settlement of outstanding balances that was due.

The rest of this page is intentionally left blank

1.2 Breakdown of revenue and profit/(loss) after taxation ("PAT")/ ("LAT") by business segments for the financial period since Listing Date (i.e. 20 February 2025) and contribution from each business segments of the Group (i.e. building construction services and infrastructure construction services) together with comparative figures and any material changes in segmental performance that may have contributed to the Group's funding requirements.

	20 February 2024 to 31 January 2025 ("Pre-Listing")	Listing Date to 31 January 2026 ("Post-Listing")	Variance		Remarks
Revenue	**RM'000**	**RM'000**	**RM'000**	**%**	
Provision of M&E engineering services	217,750	244,561	26,811	12.3	Increase in revenue primarily driven by the increase in progress claims issued for M&E engineering services performed by the Group.
Trading[(i)]	28,072	15,062	(13,010)	(46.3)	The decrease is due to the one-off transaction during the Pre-Listing period involving the sale of goods to subcontractors for certain projects undertaken.
Renewable energy	8,468	8,466	(2)	<0.1	No material changes compared to previous period.
	254,290	**268,089**			
PAT/ (LAT)					
Investment holding	(516)	(831)	(315)	61.0	Increase in losses was mainly due to listing expenses incurred.
Provision of M&E engineering services[(ii)]	14,485	12,788	(1,697)	(11.7)	The decrease in profit was mainly due to lower margin for projects secured after Listing Date, specifically for commercial and residential projects.
Renewable energy	275	564	289	105.0	The increase in profit was mainly due to decrease in finance cost as a result of lower outstanding loan balance.
	14,244	**12,521**			

Notes:

(i) 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.

(ii) Included trading business segment of the Group.

Following the above, notwithstanding that there is no material changes in segmental performance of the Group for the period of Pre-Listing to Post-Listing, the Group's funding requirements are expected to increase in view of the additional 13 LOAs secured since Listing Date which contributed to the Group's total unbilled order book of RM308.29 million as at LPD.

1.3 Commentaries on the Group's net operating cash flow for the past 2 financial years up until the latest management accounts and the reason that attributed to the Group's negative cash flow from the operating activities/ operating loss for the 6-month FPE 31 January 2026.

	FYE 2024	FYE 2025	6-month FPE 31 January 2026
	RM'000	**RM'000**	**RM'000**
Net cash from/ (used in) operating activities	9,911	(16,139)	(7,906)

FYE 2024

In FYE 2024, the Group recorded a net operating cash inflow of RM9.91 million mainly due to collection of RM153.53 million from the Group's clients and was offset by the following:

(a) payment of RM118.90 million to trade suppliers and subcontractors;

(b) payment for operating and administrative expenses of RM19.58 million; and

(c) income tax of RM5.14 million paid to Inland Revenue Board ("**IRB**").

FYE 2025

In FYE 2025, the Group recorded a net operating cash outflow of RM16.14 million mainly due to the following:

(a) payment of RM248.56 million to trade suppliers and subcontractors;

(b) payment for operating and administrative expenses of RM26.56 million; and

(c) income tax of RM7.27 million paid to IRB.

However, the operating cash outflow was partially offset by the collection of RM266.25 million from the Group's clients.

6-month FPE 31 January 2026

In 6-month FPE 31 January 2026, the Group recorded a net operating cash outflow of RM7.91 million mainly due to the following:

(a) payment of RM126.39 million to trade suppliers and subcontractors;

(b) payment for operating and administrative expenses of RM10.06 million; and

(c) income tax of RM0.47 million paid to IRB.

However, the operating cash outflow was partially offset by the collection of RM129.01 million from the Group's clients.

2. UTILISATION OF PROCEEDS

2.1 Breakdown of the IPO proceeds which was utilised for general working capital.

As stated in Section 7 of the Earlier Announcement dated 27 April 2026, please find below the breakdown of the RM11.68 million utilised for the Group's general working capital:

2.1.1 Expansion of workforce:

Positions	No. of employees	Cost(i) RM'000	Functions
Project managers	4	463	Overseeing the implementation of M&E engineering projects at various sites
Project/ Site Engineers	11	564	Managing works of subcontractors and quality control at various sites
Quantity Surveyors	6	154	Overseeing overall budgeting, costing and project timeline implementation
Site supervisors	3	319	Supporting project managers in implementation of M&E engineering projects at various sites
	24	**1,500**	

Note:

(i) IPO proceeds which was utilised for the expansion of workforce, since Listing Date up to LPD.

The rest of this page is intentionally left blank

2.1.2 Payment to suppliers for purchase of materials:

Project details	Role	Commencement date	Completion date	Contract value	Nature of working capital	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD	Actual utilisation from IPO proceeds as at LPD
				RM'000			RM'000	RM'000
Electrical and extra low voltage services for the development of 2 23-storey hotel suite blocks and renovation works to the existing Grand Dorsett Hotel at Selangor	Sub-Contractor	September 2022	June 2026	35,594	Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, generator, switchboard, transformers, generator sets and other electrical components)	65.0%	12,480	1,230
Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance for mixed development (Healthcare and wellness) in Mukim Petaling, Kuala Lumpur	Sub-Contractor	September 2023	December 2026	19,826	Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, generator, switchboard, transformers, generator sets and other electrical components)	75.0%	4,895	2,226

Project details	Role	Commencement date	Completion date	Contract value	Nature of working capital	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD	Actual utilisation from IPO proceeds as at LPD
				RM'000			RM'000	RM'000
Electrical services for the development of 42-storey and 44-storey apartments towers in Mukim Petaling, Kuala Lumpur	Sub-Contractor	January 2024	January 2027	14,607	Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, generator, switchboard, transformers, generator sets and other electrical components)	58.0%	6,114	1,614
Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance for development and construction of a private hospital in Mukim Petaling, Kuala Lumpur	Sub-Contractor	March 2024	April 2026	17,768	Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, generator, switchboard, transformers, generator sets and other electrical components)	Completed	-	3,294
Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance for 25-storey hotel building in Kuala Lumpur	Sub-Contractor	October 2023	April 2025	18,180	Payment to suppliers for purchase of materials (such as power cables and wires, distribution board boxes, busbars, switchgears, generator, switchboard, transformers, generator sets and other electrical components)	Completed	-	1,815
				105,975			**23,489**	**10,179**

2.2 Status of the 13 ongoing projects as well as projects with unbilled order book of RM308.29 million (breakdown by each project)

As stated in Section 2.6 of the Earlier Announcement, please find below the detailed breakdown of the Group's ongoing projects (which includes 13 LOAs secured by the Group from the Listing Date up to LPD, with an estimated unbilled order book value of approximately RM261.48 million):

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	%	RM'000
1.	Electrical services for the development of a 50-storey serviced apartment in Kuala Lumpur	Sub-Contractor	May 2025	May 2028	12,300	1.0%	12,132
2.	Electrical services, including supplying, delivery, installation, testing and commissioning for development a 50-storey serviced apartment in Penang	Sub-Contractor	June 2025	August 2028	10,800	(i)Pending commence-ment	10,800
3.	Mechanical electrical and fire protection services for the amendment and extension works to existing factory building in Penang	Sub-Contractor	February 2025	April 2026	5,530	(ii)69.0%	1,724
4.	Mechanical and electrical services for the amendment and extension works to existing factory building in Penang	Sub-Contractor	March 2025	April 2026	34,000	(iii)90.0%	3,416
5.	Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance for one block of 36-storey serviced apartment in Johor (Phase 1)	Sub-Contractor	July 2025	June 2028	15,215	2.0%	14,875
6.	Electrical services for lightning protection and earthing system for a building in Kedah	Sub-Contractor	May 2025	April 2027	364	90.0%	37

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	%	RM'000
7.	Electrical and generator set services, including supply, delivery, installation, testing and commissioning for two blocks of 33-storey serviced apartments and one block of 34-storey service apartment in Selangor	Sub-Contractor	February 2026	June 2028	17,200	2.0%	16,845
8.	Electrical and extra low voltage services for the development of 44-storey and 37-storey serviced apartments in Seberang Perai, Penang	Sub-Contractor	March 2026	August 2029	22,300	1.0%	22,172
9.	Electrical works for National Resilience College, including associated additional facilities in Putrajaya	Sub-Contractor	March 2026	October 2027	9,464	(i)Pending commence-ment	9,464
10.	Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance of air conditioning and mechanical ventilation works, smoke control system, electrical system, extra low voltage cable support system for warehouse in Mukim Tebrau Johor	Sub-Contractor	February 2026	November 2026	107,500	(i)Pending commence-ment	107,500
11.	Electrical services for the building works at Tampines, Singapore	Sub-Contractor	October 2025	November 2027	9,330	(i)Pending commence-ment	9,330
12.	Electrical and extra low voltage services include uninterruptible power supply in Jurong Pioneer Junior College, Singapore	Sub-Contractor	March 2026	March 2028	39,462	(i)Pending commence-ment	39,462

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	%	RM'000
13.	Electrical installation, lightning protection Community Antenna Television installation and fire alarm system for building works at Ang Mo Kio, Singapore	Sub-Contractor	September 2025	September 2029	13,721	(i)Pending commence-ment	13,721
					297,186		**261,478**

Notes:

(i) Pending commencement, as the Group is awaiting completion of structural works by the main contractor.

(ii) As at LPD, the Group has completed M&E engineering works for this project in April 2026, and is pending certification from the main contractor for the works performed.

(iii) As at LPD, the Group has completed the M&E engineering works for this project in April 2026, and the relevant consultants are in the midst of certifying the Group's works for purposes of its final progress billings.

The remaining unbilled order book of approximately RM46.81 million relates to projects secured prior to the Listing Date, as follows:

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	%	RM'000
1.	Supply, delivery, installation, testing and commissioning street lighting, TNB underground duct, Telekom manhole and Telekom PVC underground duct for Gurney Marine Bridge in Penang	Sub-Contractor	May 2021	May 2026	6,155	(i)54.8%	2,780
2.	Electrical and extra low voltage services for the development of a 22-storey hotel in Selangor	Sub-Contractor	September 2022	June 2026	35,594	64.9%	12,480

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	%	RM'000
3.	Electrical, lightning protection and earthing services for the development of 46-storey, 43-storey and 4-storey serviced apartments in Kuala Lumpur	Sub-Contractor	February 2022	April 2026	13,401	(ii)91.0%	1,199
4.	Mechanical, electrical and fire protection services for the development of a 2-storey main switch station in Selangor	Sub-Contractor	August 2023	October 2026	3,327	84.6%	512
5.	Electrical services, including supplying, delivery, installation, testing, commissioning and maintenance for a mixed development in Kuala Lumpur	Sub-Contractor	September 2023	December 2026	19,826	75.3%	4,895
6.	Electrical and extra low voltage services for the development of 2 units of 2.5-storey villa in Port Dickson, Negeri Sembilan	Sub-Contractor	November 2023	June 2026	1,331	70.1%	398
7.	Electrical services, including supplying, delivery, installation, testing and commissioning for the development of a 42-storey serviced apartment in Kuala Lumpur	Sub-Contractor	January 2024	December 2026	8,098	79.1%	1,693
8.	Electrical services, including supplying, delivery, installation, testing and for the development of a 45-storey serviced apartment in Penang	Sub-Contractor	January 2024	December 2026	8,195	72.0%	2,290
9.	Electrical services, including supplying, delivery, installation, testing and for the development of 42-storey and 44-storey serviced apartments in Kuala Lumpur	Sub-Contractor	March 2024	February 2027	14,607	58.1%	6,114
10.	Electrical and extra low voltage services for the development of a 26-storey apartment in Selangor	Sub-Contractor	September 2023	December 2026	8,451	70.2%	2,516

No.	Project details	Role	Commencement date	Completion date	Contract value	Status and percentage of completion as at LPD	Estimated value of unbilled order book as at LPD
					RM'000	**%**	**RM'000**
11.	Telekom, TNB and Pedestal Traffic Light works at Plot 16 in Penang	Sub-Contractor	September 2023	December 2026	1,210	69.5%	369
12.	Electrical and air conditioning mechanical ventilation services for the development of a 39-storey apartment in Kuala Lumpur	Sub-Contractor	July 2024	November 2026	11,502	38.5%	7,076
13.	Electrical services, including supplying, delivery, installation, testing and commissioning for the development of a 35-storey serviced apartment in Selangor	Sub-Contractor	November 2024	May 2026	4,805	(iii)36.3%	3,063
14.	Earthing services for the development of a 49-storey serviced apartment in Penang	Sub-Contractor	June 2024	December 2026	220	62.3%	83
15.	Extra low voltage services for the development of 42-storey and 44-storey serviced apartments in Kuala Lumpur	Sub-Contractor	September 2024	February 2027	487	40.9%	288
16.	Security surveillance system works, including supplying, delivery, installation, testing and commissioning for the development of a 35-storey serviced apartment in Penang	Sub-Contractor	July 2022	April 2026	1,100	(iv)3.6%	1,060
					138,309		**46,816**

Notes:

(i) As at LPD, the Group is awaiting the completion of structural works by the main contractor prior to the M&E engineering works to be undertaken by the Group. As such, the Group expects that there will be a delay for this project and had in May 2026 applied for an extension of time up to August 2026 to complete the project.

(ii) As at LPD, the Group has completed the M&E engineering works for this project in April 2026, and the relevant consultants are in the midst of certifying the Group's works for purposes of its final progress billings.

(iii) As at LPD, the Group is awaiting the completion of structural works by the main contractor prior to the commencement of M&E engineering works to be undertaken by the Group. As such, the Group expects that there will be a delay for this project and intend to apply for an extension of time up to December 2026. The application for an extension of time is expected to be made by end of May 2026.

(iv) As at LPD, the Group is awaiting the completion of structural works by the main contractor prior to the M&E engineering works to be undertaken by the Group. As such, the Group expects that there will be a delay for this project and had in May 2026 applied for an extension of time up to August 2026 to complete the project.

2.3 To explain whether the progress of the on-going construction projects is on track. If the timeline of completion is behind the planned schedule, to also provide the reason/ cause of the delay and whether the intended proceeds from Proposed Private Placement/ previous proceeds from IPO will be/had been used to fund any liquidated ascertained damages ("LAD") (if applicable) or an appropriate negative statement in this respect.

The progress of the Group's on-going construction projects is generally on track and in line with the respective project schedules. The Group's project timelines are, however, largely dependent on the completion of structural works by the main contractors, as the Group's scope of works primarily involves subsequent M&E installation. Accordingly, any delays in the completion of structural works by third party main contractor may affect the Group's ability to commence or progress its installation work as scheduled.

In such instances, the Group will formally notify the main contractors of any site obstructions or delays beyond its control and take the necessary contractual steps to mitigate exposure to LAD. The Company further confirms that it has not utilised, nor does it intend to utilise, any proceeds from the Proposed Private Placement or IPO to fund any LAD.

3. To clarify whether the proceeds to be raised from the Proposed Private Placement will be sufficient for the intended utilisation, taking into account the Group's on-going projects.

The proceeds to be raised from the Proposed Private Placement are expected to be sufficient for the intended utilisation, after taking into consideration the Group's on-going projects. This is supported by the Group's existing portfolio of projects, which continues to generate progressive billings and cash inflows.

Accordingly, the Group's internally generated funds, together with the proceeds from the Proposed Private Placement, are expected to be adequate to meet its working capital requirements and to support the execution and completion of its ongoing projects.

4. To also explain how the Company intends to fund any remaining funding requirements going forward and ensure that cash flows generated from completed and on-going projects are adequate to support its current operations and contractual commitments.

Moving forward, the Company intends to fund any remaining funding requirements for its ongoing projects via its internally generated funds and existing bank facilities. In addition, the Group is in the process of securing additional short-term banking facilities from a financial institution, which are subject to the finalisation and execution of legal documentation.

Furthermore, the Group will continue to ensure that cash flow generated from completed and ongoing projects remain sufficient to meet its operational needs and contractual commitments through active project monitoring, timely submission of progress claims to clients and close follow-up on outstanding receivables. This approach is expected to support the Group's ability to maintain adequate liquidity for its current operations and obligations.

The combination of these funding sources is expected to provide the Group with adequate liquidity and financial flexibility to meet any remaining funding requirements, support its current operations and contractual commitments, and facilitate the execution of its on-going projects, while allowing project-generated cash flows to be reinvested into the business of the Group.

This announcement is dated 12 May 2026.