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ES Sunlogy files for ACE Market IPO to raise funds for new solar business

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KUALA LUMPUR (Aug 7): Electrical engineering services firm ES Sunlogy Bhd has filed for an initial public offering (IPO) on the ACE Market to raise funds mainly for the expansion of its renewable energy business.

The proposed IPO involves the issuance of 140 million new shares and an offer for sale of 70 million existing shares at a price to be determined later, ES Sunlogy said in its draft prospectus. All in all, the listing would offer investors up to a 30% stake in the company.

"We intend to expand our generation and sales of renewable energy business segment" by developing large-scale solar plant that could generate up to 29.99 megawatt in Selarong, Kedah, ES Sunlogy said.

The project, which has a built-up area of about 5.88 million sq ft, is being developed in a joint venture with TNB Renewables Sdn Bhd, a unit of Tenaga Nasional Bhd (KL:TENAGA), and Solarvest Holdings Bhd (KL:SLVEST) subsidiary Blazing Solar Sdn Bhd.

ES Sunlogy has 40% in the venture while TNB Renewables and Blazing Solar each have 30% in the project company.

The company provides mechanical and electrical engineering services for electricity supply distribution systems and building services. ES Sunlogy is currently working on 35 engineering projects with a total con-



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tract value of RM421.59 million and unbilled contract value of RM267.4 million.

Under the public issue, ES Sunlogy is allocating 35 million new shares to the Malaysian public and 17.5 million shares for eligible persons. The company will

also set aside 87.5 million shares for approved Bumiputera investors through private placement.

Proceeds raised from the IPO will be used to part-finance construction works, land and financing costs totalling RM131.5 million for the Selarong project as well as the plant's estimated RM2.32 million in annual operating expenditure.

The company also plans to partially repay bank borrowings, to fund general working capital requirements, and to purchase an enterprise resources planning software. The rest will be used to defray listing expenses.

For the year ended July 31, 2024, ES Sunlogy made a net profit of RM6.84 million on revenue of RM100.37 million.

Gross proceeds from the offer for sale meanwhile, will accrue entirely to selling shareholders managing director Khor Chuan Meng, executive director Chu Kerd Yee and non-executive director Datuk Keh Chuan Seng.

Keh is the largest shareholder of waste management company Tex Cycle Technology (M) Bhd (KL:TEXCYCL) and executive chairman of stainless steel manufacturer K Seng Seng Corp Bhd (KL:KSSC) and contract manufacturer Ge-Shen Corp Bhd (KL:GESHEN).

M & A Securities is the IPO's adviser, sponsor, underwriter and placement agent.