

Sorento

CAPITAL BERHAD

(Registration No.: 202301018305 (1512227-W))



ELEGANCE
IN EVERY FLOW

ANNUAL REPORT 2026

ELEGANCE IN EVERY FLOW

The cover of Sorento Capital Berhad's ("Sorento Capital" or "the Company", and together with its subsidiaries, "Sorento Capital Group" or "the Group") Annual Report for the financial year ended 30 June 2026 ("FYE 2026") features the Group's sanitary ware in its natural setting, allowing the products to convey their own quality and craftsmanship.

The tagline "Elegance in Every Flow" is rooted in 'Sorento's' brand story, which ties elegance to design that moves through form and function. This idea traces back to the brand's namesake, the coastal town of Sorrento, Italy, and the original vision of bringing that same sense of grace into Malaysian homes. It is a standard the Group has upheld since its founding, and continues to build on today.

CONTENTS

1	Corporate Profile
2	Corporate Information
3	Corporate Structure
4	Key Milestones
6	Financial Highlights
7	Board of Directors' Profile
14	Key Senior Management's Profile
16	Management Discussion & Analysis
34	Sustainability Statement
63	Corporate Governance Overview Statement
72	Audit and Risk Management Committee Report
75	Statement on Risk Management and Internal Control
79	Additional Compliance Information
80	Statement of Directors' Responsibility
81	Audited Financial Statements
140	Disclosure of Financial Data for Shariah Screening
142	Analysis of Shareholdings
144	List of Properties
145	Notice of the Third Annual General Meeting ("3 rd AGM")
149	Administrative Notes Proxy Form



VISION

Elevate everyday living with elegant, accessible sanitary ware for every home.

MISSION

To provide innovative, high-quality bathroom and kitchen solutions that provide a touch of elegance to all.

Corporate Profile

Sorento Capital Berhad ("Sorento Capital" or "the Company") is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Through its subsidiaries (collectively known as the "Sorento Capital Group" or "the Group"), the Group is primarily involved in the marketing, distribution, and sale of bathroom and kitchen sanitary ware.

Established in 2005, the Group has a proven track record of over two decades in the industry, having built a reputation for quality, reliability, and functional design. Its comprehensive product portfolio comprises over 6,000 stock-keeping units, including water closets, wash basins, bathtubs, bathroom furniture and mirrors, kitchen sinks and faucets, among others.

The Group markets its products under its flagship brand '**Sorento**', which comprises two (2) distinct product lines – the classic '**Sorento**' collection and the '**Sorento Lite**' essentials – alongside other proprietary brands, namely '**Mocha**', '**Cabana**', and '**i-Born**'. In addition, the Group serves as the authorised distributor in Malaysia for foreign third-party brands of luxury sanitary wares, namely '**Bravat**' and '**Infinity**'.

The Group's extensive product range positions it as a one-stop bathroom and kitchen sanitary ware solution provider across residential and commercial developments. Its multi-channel distribution strategy includes a nationwide network of 699 dealers, and direct supply to project customers. This is supported by the Group's headquarters, showroom, and warehouse facilities in Klang, Selangor.

Sorento Capital was successfully listed on the ACE Market of Bursa Securities on 28 October 2024, and subsequently transferred to the Main Market of Bursa Securities on 28 August 2026.

CORE VALUES



Trustworthy

Sorento is a trusted name, proudly listed on the Main Market of Bursa Securities and committed to quality. Our products are certified to meet Malaysian standards, ensuring you receive reliable, safe, and durable solutions for your home. With decades of experience, we strive to deliver products that you can trust for years to come.



Inclusivity

At *Sorento*, inclusivity is at the core of our brand. We offer high-quality, stylish sanitary ware that caters to all life stages—from young renters to newlyweds and seniors, ensuring everyone can experience comfort and sophistication. Whether you're starting fresh or settling in, *Sorento* has something for you.



Visionary

At *Sorento*, we lead the way in shaping the future of bathrooms, turning them into personal sanctuaries of relaxation. Our visionary designs anticipate how simple spaces can offer pure calm, making every shower an enjoyable experience. Thoughtfully crafted for comfort, we create bathrooms that bring peace and tranquillity into your daily life.



Practicality

At *Sorento*, products are designed with a focus on practicality, ease of use, and reliability for all ages in mind, without sacrificing aesthetic appeal. Our solutions are simple yet effective, blending functionality with stylish design to make your space both beautiful and practical.

Corporate Information



BOARD OF DIRECTORS

Haji Ahmad Zakie
Bin Haji Ahmad Shariff
Independent
Non-Executive Chairman

Loo Chai Lai
Managing Director

Loo Jing Kai
Executive Director

Lee Chee Keong
Executive Director

Christine Toh Hung Mei
Independent
Non-Executive Director

Yeat Soo Ching
Independent
Non-Executive Director

Teh Lay Sim
Independent
Non-Executive Director

**AUDIT AND RISK
MANAGEMENT COMMITTEE**
Christine Toh Hung Mei (Chairperson)
Yeat Soo Ching
Teh Lay Sim

NOMINATION COMMITTEE
Teh Lay Sim (Chairperson)
Christine Toh Hung Mei
Yeat Soo Ching

REMUNERATION COMMITTEE
Yeat Soo Ching (Chairperson)
Christine Toh Hung Mei
Teh Lay Sim

COMPANY SECRETARIES
Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)

Loo Hui Yan (MAICSA 7069314)
(SSM PC No.: 202308000290)

HEAD OFFICE
No. 5, Jalan Astana 2/KU2
Bandar Bukit Raja
41050 Klang
Selangor Darul Ehsan
Telephone No. : 03-3082 9288
E-mail : sorento@sorento.com.my
Website : www.sorentocapital.com

REGISTERED OFFICE
Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : 03-7725 1777
E-mail : info@cospec.com.my

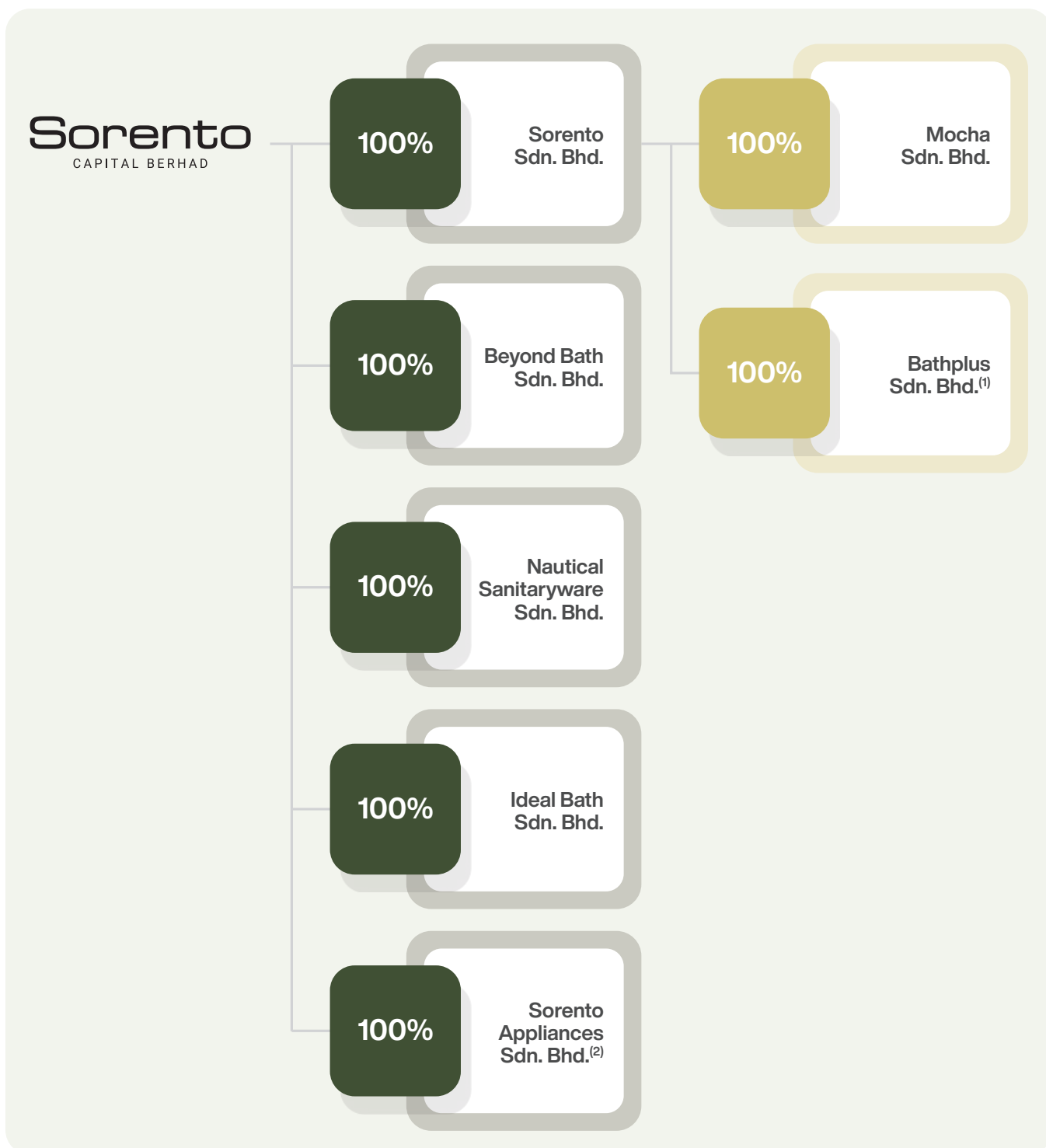
SHARE REGISTRAR
**Vistra Investor & Issuing House
Services Sdn. Bhd.**
(formerly known as Tricor Investor &
Issuing House Services Sdn. Bhd.)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Telephone No. : 03-2783 9299
E-mail : is.enquiry@vistra.com

AUDITORS
TGS TW PLT
Unit E-16-2B
Level 16, Icon Tower (East)
No. 1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Telephone No. : 03-9771 4326

PRINCIPAL BANKER
United Overseas Bank
(Malaysia) Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia
Securities Berhad
Stock Name: SORENTO
Stock Code: 0326

Corporate Structure



⁽¹⁾ Newly incorporated on 11 August 2026

⁽²⁾ Newly incorporated on 27 August 2026


6,000
SKUs


699
dealers


201
project customers

Key Milestones

2005

Incorporated Sorento Sdn. Bhd. ("SSB") and commenced operations in Jalan Meru, Klang (~6,940 square feet ("sq ft"));

Introduced '**Sorento**' as SSB's first and flagship house brand.



2010

Relocated to a larger rented facility in Jalan Meru, Klang (~63,059 sq ft);

Expanded the '**Sorento**' brand offerings to include wash basins.



2014

Appointed as authorised distributor for '**Bravat**', a German bathroom sanitary ware brand, in Malaysia;

Made our maiden entry into the property project segment, securing our first project sale for the supply of '**Sorento**' products to a residential development in Selangor.



BRAVAT
BY DIETSCH 1873

2009

Launched two (2) new house brands, '**Cabana**' and '**Mocha**'; expanded the '**Sorento**' brand offerings to include kitchen sinks.



2015

Expanded the '**Sorento**' and '**Mocha**' house brands to include water closets.



2016

Dealer network expanded to 140 nationwide, surpassing the 100-dealer milestone;

Began offering water closets under the '**Cabana**' house brand.



2017

Project customer base expanded to 119 nationwide, surpassing the 100-project customers milestone.



Key Milestones

2021

Acquired a premise in Penang (~6,826 sq ft) to serve Northern Malaysia demand. Disposed of the premise in June 2025.



2020

Launched the Sorento Master Club for interior designers;

Relocated operations to Bandar Bukit Raja, Klang (~68,540 sq ft), which remains the Group's headquarters to date ("Bukit Raja Facility").

Master Club
Sorento

2024

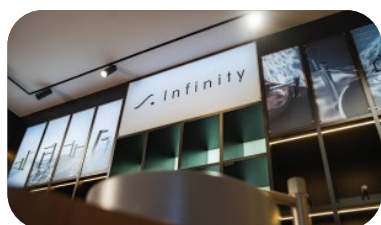
Listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 28 October 2024;

Appointed as the exclusive distributor of '*Infinity*' in Malaysia.



2019

Added '*Infinity*', a third-party brand from Spain, to the Group's luxury sanitary ware portfolio.



Infinity

2023

Launched the first Sorento Experience Centre at the Bukit Raja Facility;

Introduced new house brand '*i-Born*';

Rented an additional premises at Jalan Meru, Klang (~65,804 sq ft) for storage.



i-BORN

2026

Established a flagship presence in Johor Bahru with the opening of the "Sorento Concept" showroom in August 2026.



Transferred to the Main Market of Bursa Securities on 28 August 2026;

Launched '*Sorento Lite*', a dedicated line of essential plumbing and fitting products.

Sorento
LITE

Financial Highlights

Financial Year Ended 30 June

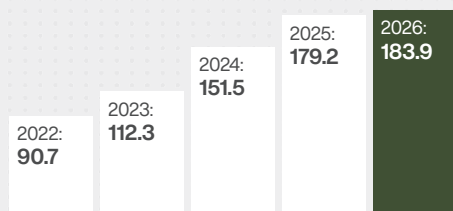
(RM million)	2022	2023	2024	2025	2026
Income Statement					
Revenue	90.7	112.3	151.5	179.2	183.9
Gross Profit ("GP")	32.5	53.4	64.5	77.2	83.2
Profit Before Tax ("PBT")	17.0	33.1	32.6	36.0	41.3
Profit After Tax ("PAT")	12.7	24.9	24.4	26.2	30.8
Financial Position					
Total Assets	67.5	77.8	142.1	195.8	212.3
Cash and Bank Balances*	8.2	13.0	12.2	43.3	43.4
Total Equity	32.6	50.3	65.7	143.1	163.2
Total Liabilities	34.9	27.5	76.4	52.7	49.1
Financial Ratio					
Basic Earnings per Share (sen)**	1.81	3.54	3.47	3.67	3.58
GP Margin (%)	35.8%	47.6%	42.6%	43.1%	45.2%
PAT Margin (%)	14.0%	22.2%	16.1%	14.6%	16.7%

Note:

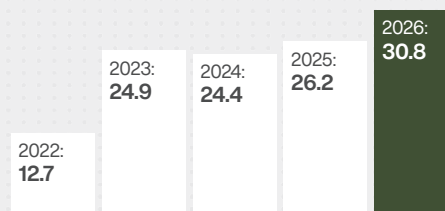
* Cash and bank balances include fixed deposits with licensed banks

** Computed based on the PAT divided by weighted average number of shares in issue

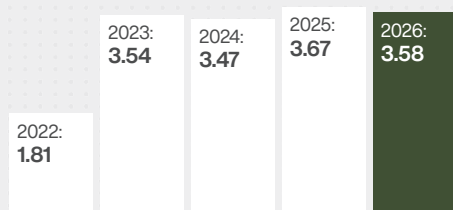
Revenue (RM million)



PAT (RM million)



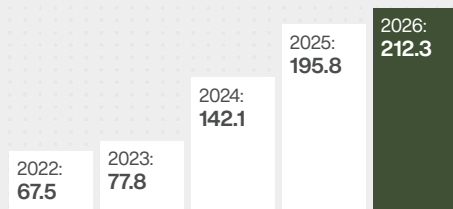
Basic Earnings Per Share (sen)



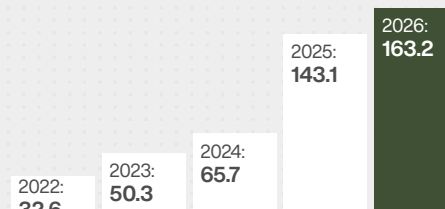
PAT Margin (%)



Total Assets (RM million)



Total Equity (RM million)



**Board of
Directors' Profile**

HAJI AHMAD ZAKIE BIN HAJI AHMAD SHARIFF

**Independent
Non-Executive Chairman**

Malaysian | 69 | Male

Date of Appointment:
25 March 2024



Haji Ahmad Zakie Bin Haji Ahmad Shariff ("Tuan Haji Ahmad Zakie") was appointed to the Board of Directors ("the Board") of Sorento Capital Berhad ("Sorento Capital" or "the Company") on 25 March 2024 as the Independent Non-Executive Chairman.

He holds a Bachelor of Economics from the Universiti Kebangsaan Malaysia and Master of Accounting Science from the University of Illinois, Urbana-Champaign, United States of America.

Tuan Haji Ahmad Zakie has over 40 years of experience in capital markets, corporate leadership, and the public sector institutions. He began his career in academia before moving into financial services, where he gained extensive expertise in equity research, asset management, and stockbroking through various senior roles.

He later expanded his career into corporate management, holding leadership positions in both private and government-linked organisations, including serving as the Chief Executive Officer ("CEO") in several entities. His responsibilities spanned corporate affairs, operations management, human capital development, and day-to-day operations of the entities which he served. He also led a state-owned corporation, focusing on improving subsidiary performance.

Beyond the corporate sector, he has contributed significantly to higher education and governance, serving as director of a university and as an Adjunct Professor.

Currently, Tuan Haji Ahmad Zakie sits on the Board of LFE Corporation Berhad, a company listed on Bursa Malaysia Securities Berhad ("Bursa Securities") as an Independent Non-Executive Director.

Tuan Haji Ahmad Zakie attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Board of Directors' Profile

LOO CHAI LAI

Managing Director

Malaysian

62

Male

Date of Appointment:
17 May 2023



Loo Chai Lai ("Mr. Loo") was appointed to the Board of Sorento Capital on 17 May 2023 as the Managing Director ("MD"). As the MD, Mr. Loo is responsible for overseeing the overall finance, operations, and business development strategies of Sorento Capital and its subsidiaries (collectively known as "Sorento Capital Group" or "the Group").

With more than 40 years of experience in the home improvement and renovation industry, including over 20 years specifically in the bathroom and kitchen sanitary ware segment, Mr. Loo plays a pivotal role in charting the Group's strategic direction and driving its continued growth.

Mr. Loo obtained his Sijil Pelajaran Malaysia in 1982 at Sekolah Menengah Kebangsaan Sultan Abdul Samad. In 1984, he began his career as a Sales Executive at Boon Seng Paint Merchant, a family-owned paint business. He later established and managed several trading companies involved in home improvement space, including MBS Paints Sdn. Bhd. ("MBS Paints"), where he was responsible for overall management, and Kedai Cat Boon Seng Sdn. Bhd. ("KCBS"), where he focused on sales and marketing. He remains as a shareholder and Director of MBS Paints and KCBS.

In 2003, Mr. Loo founded PSM Home Centre Sdn. Bhd. ("PSM"), principally involved in trading of paints, painting accessories, sanitary, kitchen accessories and hardware. At PSM, he oversaw the overall management and daily operations of the company until his resignation and divestment in 2024.

In 2005, Mr. Loo co-founded Sorento Sdn. Bhd. ("SSB") with his brother, Loo Chai Sing. He was responsible for steering the strategic direction and overseeing day-to-day operating activities of SSB. Thereafter, Mr. Loo assumed full leadership in year 2020, where he was instrumental in expanding SSB's customer base and establishing its brand presence in Malaysia.

Mr. Loo does not hold any directorship in any other public companies and listed issuers but holds directorships in several private limited companies.

Mr. Loo attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Mr. Loo is the parent of Loo Jing Kai, an Executive Director of Sorento Capital.

Board of
Directors' ProfileLOO
JING KAI

Executive Director

Malaysian | 31 | Male

Date of Appointment:
17 May 2023

Loo Jing Kai ("Mr. Jayden Loo") was appointed to the Board of Sorento Capital on 17 May 2023 as an Executive Director ("ED"). He is responsible for overseeing the sales, retail, marketing and purchasing, as well as warehouse and customer service functions of the Group.

Mr. Jayden Loo holds a Bachelor of Business (International Business) from the Queensland University of Technology.

Mr. Jayden Loo began his career in 2017 as a Sales Executive with PSM, where he was accountable for assisting walk-in customers at the showroom, promoting products and providing after-sales service. In 2019, he was promoted to Sales Manager, tasked with monitoring the company's daily and monthly sales performance. In 2020, Mr. Jayden Loo joined SSB as Sales Manager, overseeing product sales, operational matters, and the collection of payments. In the same year, he was appointed a Director of SSB and became a shareholder of SSB in 2021.

Mr. Jayden Loo does not hold any directorship in any other public companies and listed issuers but holds directorships in several private limited companies.

Mr. Jayden Loo attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Mr. Jayden Loo is the son of Loo Chai Lai, the MD and major shareholder of Sorento Capital.

Board of Directors' Profile

LEE CHEE KEONG

Executive Director

Malaysian | 46 | Male

Date of Appointment:
25 March 2024



Lee Chee Keong ("Mr. Lee") was appointed to the Board of Sorento Capital on 25 March 2024 as an ED. He is responsible for the Group's project-based sales and marketing activities.

Mr. Lee graduated with a Bachelor of Engineering (Mechanical and Production Engineering) and Graduate Diploma in Technopreneurship and Innovation Program from Nanyang Technological University, Singapore, in 2003.

Mr. Lee brings with him two decades of experience spanning project management, sales, and operations across various industries. Mr. Lee began his career in 2004 as a Project Engineer with Hi-P (Shanghai) Housing Appliance Co. Ltd, managing project development activities including costing, process flow, and manufacturing. In 2006, he joined Venture Electronics Shanghai Co. Ltd as a Project Lead, where he was responsible for managing business units related to the manufacturing of electronic products and components. He later moved to Acumen Engineering (Shanghai) Co. Ltd in 2008 as Sales Manager, overseeing overall business operations in China.

In 2009, he joined Superpak Shanghai Co. Ltd as Assistant General Manager, managing daily operations. In 2012, Mr. Lee joined Movtec Sdn. Bhd. (now known as Warehouz Collection

Sdn. Bhd.), a company involved in the dealing of electronic products as Sales Manager. In 2013, he resigned as Sales Manager but remained as a Director and shareholder, until the company was dissolved in 2017. In 2013, Mr. Lee joined Bath Deco Marketing Sdn. Bhd., a company involved in the wholesale and retail of bathroom furnishings as Sales Manager, where he was responsible for the company's sales and marketing activities.

In 2014, Mr. Lee joined Beyond Bath Sdn. Bhd. ("BBSB"), as Sales Manager, overseeing the sales and marketing of the company's products. He was appointed as a Director of BBSB in 2017 and thereafter became its shareholder in 2018. In the same year, he became a Director and shareholder of Ideal Bath Sdn. Bhd. ("IBSB"), assuming the same responsibilities as BBSB. In 2024, he disposed of his shares in BBSB and IBSB to Sorento Capital as part of the restructuring exercise pursuant to the listing of Sorento Capital on the ACE Market of Bursa Securities.

Mr. Lee does not hold any directorship in any other public companies and listed issuers but holds directorships in several private limited companies.

Mr. Lee attended all five (5) Board of Directors' Meetings held during the financial year ended 30 June 2026.

Board of
Directors' ProfileCHRISTINE
TOH
HUNG MEI**Independent
Non-Executive Director****Malaysian | 45 | Female****Date of Appointment:
25 March 2024**

Christine Toh Hung Mei ("Ms. Christine Toh") was appointed to the Board of Sorento Capital on 25 March 2024 as an Independent Non-Executive Director. She is the Chairperson of the Audit and Risk Management Committee ("ARMC") and a member of Nomination Committee ("NC") and Remuneration Committee ("RC").

With a career that spans 20 years, Ms. Christine Toh has held roles across the accounting, audit, and legal sectors, gaining exposure to corporate advisory and litigation work.

Ms. Christine Toh holds a Bachelor of Commerce and Bachelor of Business Systems from Monash University. She obtained a Bachelor of Laws (Hons) from University of London (External) in 2012 and completed her Certificate of Legal Practice in 2013. She was registered as a Chartered Accountant under the Malaysian Institute of Accountants in 2023. She is also a Fellow of the Chartered Institute of Arbitrators.

Ms. Christine Toh began her career in 2006 with BDO McCabe Lo Ltd in Hong Kong, a company involved in business and corporate advisory services, as an Associate. In 2008, she joined BDO Binder in Malaysia as an Assistant Manager, where she focused on external audit. The following year in 2009, she assumed a role at BDO Consulting Sdn. Bhd. as an Assistant Manager, where she was in charge of internal audit for listed companies. During her time at BDO Binder, she began pursuing her Bachelor of Laws (Hons) on a part-time basis.

In 2010, Ms. Christine Toh joined Prestar Precision Tube Sdn. Bhd., a company involved in the manufacturing and supply of precision steel pipes and tubes, as an Assistant Accounts Manager. Her responsibilities included submission of financial reports, preparing annual budgets, and assisting in both internal and external reporting requirements.

Upon obtaining her Bachelor of Laws (Hons) in 2012, Ms. Christine Toh left Prestar Precision Tube Sdn. Bhd. to commence her pupillage at a law firm, Vin & Isaac Lee, in 2013. She was called to the Malaysian Bar in 2014 and remained as an Associate at Vin & Isaac Lee until 2016. She joined Mah Weng Kwai & Associates in 2016 as a Legal Assistant and was promoted to Senior Associate in 2018, before being made a Partner in 2019. In 2023, she left to set up her own legal practice, Christine Toh & Co, where she currently serves as Managing Partner. Her primary practice areas include construction disputes, strata title disputes, and general litigation.

Currently, Ms. Christine Toh sits on the Boards of HE Group Berhad, WTEC Group Berhad and ISF Group Berhad as an Independent Non-Executive Director.

Ms. Christine Toh attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Board of Directors' Profile

YEAT SOO CHING

Independent
Non-Executive Director

Malaysian | 50 | Female

Date of Appointment:
25 March 2024



Yeat Soo Ching ("Ms. Yeat") was appointed to the Board of Sorento Capital on 25 March 2024 as an Independent Non-Executive Director. She is the Chairperson of RC and a member of ARMC and NC.

Ms. Yeat graduated from the University of Sheffield, United Kingdom with a Bachelor of Law in 1998, and was called to the Malaysian Bar in 2000.

Ms. Yeat began her legal career in 2000 with Messrs Cheang & Ariff as a Legal Associate and was subsequently made a Partner in 2007, a position she continues to hold. Her areas of expertise include corporate and securities laws, banking and finance. She has advised on capital market transactions such as initial public

offerings, rights issues and private placements. Additionally, she has advised general partners of private equity/venture capital funds on the establishment and operation of funds. Her experience in banking and finance includes acting for lenders and major corporations in various domestic and international financing transactions.

Currently, Ms. Yeat sits on the Boards of Cnergens Berhad and Golden Destinations Group Berhad as an Independent Non-Executive Director.

Ms. Yeat attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Board of
Directors' ProfileTEH
LAY SIM**Independent
Non-Executive Director****Malaysian | 51 | Female**Date of Appointment:
25 March 2024

Teh Lay Sim ("Ms. Teh") was appointed to the Board of Sorento Capital on 25 March 2024 as an Independent Non-Executive Director. She is the Chairperson of NC and a member of ARMC and RC.

Ms. Teh has over 25 years of experience in the architecture, construction, and design industry. Her background spans both large-scale construction companies and private architectural practice.

Ms. Teh graduated from the University of Sydney with a Bachelor of Science (Architecture) in 1998 and Bachelor of Architecture in 2004.

Ms. Teh began her career in 1998 with Natcon Kumagai Joint Venture, a company involved in construction and completion of superstructural works for Mandarin Oriental Hotel, as an Interior Design Coordinator, where she was responsible for the coordination, scheduling, planning and site supervision of the architectural and interior fitouts. She left the company in 2000 to join Sunway Construction Berhad as a Design Coordinator,

overseeing and coordinating technical and design matters for design and build and build-operate-turnkey projects. She was promoted to Manager in 2007 and remained with the company until her departure in 2008. In the same year, she joined SA Architects Sdn. Bhd., a company involved in architectural and consultancy services, as an Associate, where she was responsible for managing and overseeing the design and execution of various projects. She remained with the firm until 2012.

In 2012, Ms. Teh founded Arkitek L. Teh, where she currently holds the position of Principal. She oversees the firm's direction of architectural practice and manages all aspects of its operations, including technical and design matters for ongoing projects, employee management, and its day-to-day operations.

Ms. Teh does not hold any directorship in any other public companies and listed issuers.

Ms. Teh attended all five (5) Board meetings held during the financial year ended 30 June 2026.

Notes:

1. Save as disclosed above, none of the Directors have any family relationship with other Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, except as disclosed in the Notes to the Financial Statements of this Annual Report.
3. None of the Directors have been convicted of any offences within the past five (5) years or been imposed with any public sanction or penalty by the regulatory bodies during the financial year ended 30 June 2026.

Key Senior Management's Profile

TAN GINE NGEE

Chief Financial Officer

Malaysian | 49 | Male

Date of Appointment:
1 January 2024

Tan Gine Ngee ("Mr. Kelvin Tan") is the Chief Financial Officer ("CFO") of Sorento Capital Berhad ("Sorento Capital" or "the Company") and its subsidiaries (collectively known as "Sorento Capital Group" or "the Group"). As CFO, he is responsible for overseeing the preparation of the Group's financial and accounting reports, as well as managing the Accounts Department's day-to-day functions which include inter alia, the management of cash flows and budget for the Group.

Mr. Kelvin Tan holds a Bachelor of Science in Accounting and Finance from the University of London. He has been a member of the Malaysian Institute of Accountants since 2006.

Mr. Kelvin Tan began his career in 2000 as a Graduate Audit Trainee with K.S. Soon & Company, an audit firm, where he was involved in field audits, drafting audit reports, preparing estimated financials, tax computations, and annual accounts for clients. He left the firm in 2001 to join TimeCom Holdings Sdn. Bhd. as an Accounts Executive. He was responsible for overseeing group accounts preparation, including monitoring the consolidation of group accounts.

Later in the same year, Mr. Kelvin Tan left TimeCom Holdings Sdn. Bhd. and joined MBS Paints & Tools Sdn. Bhd. ("MBS Paints") as an Accounts Executive, where he handled full set of accounts and audit coordination. In 2005, he was promoted to Accounts Manager, overseeing both the accounting and human resources functions, including inter alia, cash flow monitoring, financial reporting, forecasting, and analysis. In 2015, he was further promoted to Group Financial Controller. His responsibilities included overseeing the group accounts and compliance with accounting standards and frameworks, as well as monitoring policies and procedures to improve internal controls.

In 2021, Mr. Kelvin Tan was transferred from MBS Paints to Sorento Sdn. Bhd. ("SSB") as Group Financial Controller, continuing the same responsibilities. In 2023, he was promoted to CFO of SSB. He assumed his role as Sorento Capital's CFO on 1 January 2024.

LOO AI CHENG

**Senior Manager,
Warehouse and
Customer Service**

Malaysian | 60 | Female

Date of Appointment:
1 January 2024

Loo Ai Cheng ("Ms. Loo") is the Senior Manager for Warehouse and Customer Service of the Group. She is responsible for overseeing daily warehouse operations, controlling and managing inventory and logistics, and supervising the customer service function.

Ms. Loo graduated with a Diploma in Commerce and Economics from Meijo University in Nagoya, Japan in 1993.

Ms. Loo began her career in 1985 as a General Clerk in Kilang Plastic Winloy Sdn. Bhd., a company involved in the manufacturing of plastic bags, where she was responsible for administrative and general clerk duties. She left the company in 1990 to pursue her Diploma in Commerce and Economics.

In 1993, Ms. Loo joined Sato Chemifa (M) Sdn. Bhd., a manufacturer of plastic films and bags, as a Production Administration Clerk. She was responsible for the maintenance of production and manufacturing records in the company. In 1995, she joined Terasaki Electric (M) Sdn. Bhd. as a Purchasing Administration Clerk, where she handled warehouse inventory records and purchasing records, and remained with the company until 1997.

In 1998, Ms. Loo joined MBS Paints as an Administrative Executive, responsible for customer service. She was promoted to Warehouse Manager in 2005, where she oversaw all aspects of warehouse management. In 2017, she joined SSB as a Warehouse Manager, where her responsibilities included managing warehouse operations and customer service-related matters, such as organising deliveries, storage, and dispatch of goods. In 2023, she was promoted to her current position as Senior Manager, Warehouse and Customer Service at Sorento Capital.

Ms. Loo is the sister of Loo Chai Lai, the Managing Director and major shareholder of Sorento Capital, and paternal aunt to Loo Jing Kai, the Executive Director of Sorento Capital.

Key Senior Management's Profile

NG
LAI HEONG

Regional Sales Manager

Malaysian | 57 | Female

Date of Appointment:
1 January 2024

Ng Lai Heong ("Ms. Ng") is the Regional Sales Manager of the Group. Her responsibilities include leading the sales team, developing strategic plans to drive revenue growth, and overseeing sales operations within assigned region.

Ms. Ng completed her Sijil Pelajaran Malaysia in 1987 at Tsun Jin High School in Kuala Lumpur. Ms. Ng began her career as a Coffee Shop Assistant in Lai Heong Coffeeshop in 1988, a family-operated business, where she was responsible for handling customer orders and serving as a cashier until 1990. In 1991, she joined Hup Hing Sdn. Bhd., a company involved in buying, selling, fabricating spare parts and equipment in industries, as an Assistant Manager. Her responsibilities included building and leading a sales team, developing revenue-driving strategies, and formulating sales plans. She remained with the company until 1995.

In 1996, Ms. Ng joined Homewish Sanitarywares Sdn. Bhd., a company involved in the sales and distribution of sanitary ware and bathroom accessories, as a Sales Manager, assuming similar responsibilities as her role in Hup Hing Sdn. Bhd.. In 2008, she joined Agrow Corporation Sdn. Bhd., a trading and fabrication company for industrial parts and equipment, as a Sales Manager, continuing the same capacity as the previous companies until her departure in 2019. In 2019, Ms. Ng joined SSB as Regional Sales Manager.

LAM
LI HUA

Marketing Manager

Malaysian | 42 | Female

Date of Appointment:
1 January 2024

Lam Li Hua ("Ms. Lam") is the Marketing Manager of the Group. She is responsible for managing the Group's marketing activities, including strategising, planning, and execution across both offline and online platforms.

Ms. Lam graduated with a Diploma in Advertising, and a Diploma in Marketing Communications from the Institute of Advertising, Communication and Technology College in 2005.

Ms. Lam began her career in 2005 with Mellooi Creation Sdn. Bhd., a company involved in fashion design, manufacturing, and trading of apparel and accessories, as a Marketing and Business Development Executive. In 2007, she was promoted to Senior Executive in Marketing and Business Development, where she was responsible for marketing planning, advertising strategies, and promotional spending for the retail stores. She joined Signature Cabinet Sdn. Bhd. later in 2007 as Brand Manager. Her role involved developing, planning and execution of brand strategies for kitchen cabinet and living solutions.

In 2014, Ms. Lam left to join MGBI Malaysia Sdn. Bhd., a company involved in engineering services relating to design and verification of railway signalling systems, as General Manager. She was responsible for managing the company's railway project in Malaysia, including inter alia, project management and recruitment-related matters. Subsequently in 2018, she joined EQ Solutions Sdn. Bhd., a company involved in internet marketing, public relations, events, advertising, trading, training and consultancy, media production, and creative designing, as an Account Manager. She managed public relations activities, digital marketing campaigns, and events for the firm's clients.

In 2019, Ms. Lam joined H Trends Bathroom Centre Sdn. Bhd. (currently known as Dilooma Sdn. Bhd.), a company involved in the dealership and wholesale of bathroom accessories, sanitaryware, kitchenware and other related products, as a Marketing Manager. She was accountable for developing strategies, planning and executing sales and marketing activities to achieve sales targets, before leaving the company in 2021. Ms. Lam joined SSB as the Marketing Manager in 2023.

Notes:

1. None of the Key Senior Management have any directorship in public companies and listed issuers.
2. Save as disclosed above, none of the Key Senior Management have any family relationship with any Directors and/or major shareholders of the Company.
3. None of the Key Senior Management have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
4. None of the Key Senior Management have been convicted of any offences within the past five (5) years or been imposed with any public sanction or penalty by the regulatory bodies during the financial year ended 30 June 2026.

Management Discussion & Analysis

ELEGANCE IN EVERY FLOW

Dear Esteemed Shareholders,

On behalf of the Board of Directors ("the Board") of Sorento Capital Berhad ("Sorento Capital"), I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 30 June 2026 ("FYE 2026").

FYE 2026 was characterised by a challenging and evolving global operating environment. The escalation of conflict in the Middle East in early 2026 contributed to higher oil prices and supply chain disruption, while changing economic conditions and prolonged tariff uncertainty weighed on global trade activity and investor sentiment. These developments collectively intensified cost pressures across businesses and industries.

In Malaysia, businesses also navigated higher operating costs following several policy changes, including the phased implementation of the RM1,700 minimum monthly wage, commencing in February 2025 and reaching full implementation in August 2025, as well as mandatory Employees Provident Fund ("EPF") contributions for foreign workers effective October 2025. Notwithstanding these headwinds, the Malaysian economy remained resilient, expanding by 5.2% in 2025, above Bank Negara Malaysia's ("BNM") forecast of 4.0% to 4.8%, and recording growth of 5.7% in the first half of 2026 ("1H 2026"). Domestic economic activity continued to be supported by resilient household spending and sustained investment, while exports remained robust.

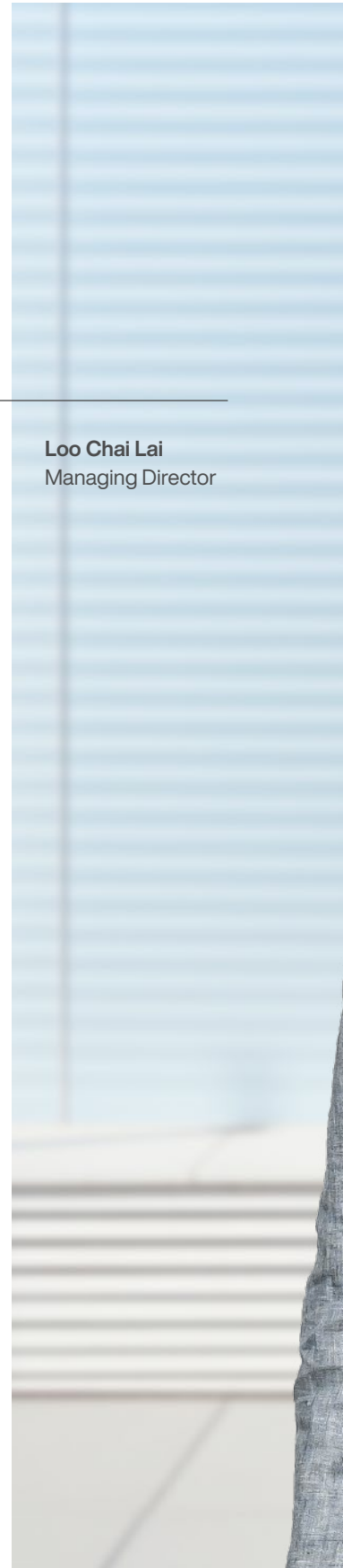
Against this backdrop, Sorento Capital, through its subsidiaries (collectively known as "Sorento Capital Group" or "the Group"), delivered another strong year of performance. The Group achieved record revenue of RM183.9 million, representing an increase of 2.6% year-on-year ("YoY"). Profit after tax ("PAT") increased by 17.6% YoY to an all-time high of RM30.8 million. These results reflect the Group's ability to sustain growth while navigating a challenging and uncertain operating environment.

During FYE 2026, the Group strengthened its product portfolio and market presence through strategic initiatives, including the launch of the '**Sorento Lite**' range, a dedicated line of essential plumbing products and fittings targeting the replacement market.

Subsequent to the financial year-end, the Group achieved several significant milestones in August 2026. These included the opening of the flagship "Sorento Concept" showroom in Johor Bahru on 8 August 2026, the introduction of the '**Sorento Serene**' series of products, and the successful transfer of the Group's listing from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 28 August 2026.

These achievements mark important milestones in the Group's continued development and provide a strong foundation for its next phase of growth. Moving forward, the Group will remain focused on strengthening its market presence, expanding its product portfolio, enhancing customer engagement and pursuing sustainable growth opportunities, while continuing to create long-term value for our shareholders.

Loo Chai Lai
Managing Director



Management Discussion & Analysis



Revenue
(RM million)

183.9m

2024:
151.5m

2025:
179.2m

2026:
183.9m

Profit Before Tax
(RM million)

41.3m

2024:
32.6m

2025:
36.0m

2026:
41.3m

“

Sorento Capital
delivered another year of
record revenue and profit
despite a challenging
operating environment,
demonstrating the
strength and resilience
of our proven business
model.

”

Management Discussion & Analysis

BUSINESS OVERVIEW

Since 2005, Sorento Capital Group has built a solid foothold in the marketing, distribution and sale of bathroom and kitchen sanitary ware in Malaysia. Over the years, our product portfolio has expanded to encompass bathroom fixtures and furniture, faucets, showers, bidets, accessories and kitchen sinks, catering to the diverse needs of both residential and commercial spaces.

Our Brands

We have developed a diversified portfolio of brands serving a broad range of styles, preferences and price points. This diverse brand portfolio enables us to cater to a wide customer base while strengthening our brand presence and market position within the bathroom and kitchen sanitary ware industry.

Of the approximately 6,000 stock-keeping units ("SKUs") offered by the Group, more than 80% are marketed under our proprietary house brands. The following are the key brands within the Group's portfolio, each with a distinct market positioning and brand identity.

House Brands

Sorento

MOCHA[®]
— ITALY —

 Cabana[®]

i-BORN[®]

'**Sorento**', our flagship brand, serves the premium segment with a comprehensive range of quality bathroom and kitchen sanitary ware, combining functionality, contemporary design and value. Complementing the flagship brand, '**Mocha**', '**Cabana**' and '**i-Born**' cater to the broader market through accessible product offerings developed to meet the needs of value-conscious consumers.



Sorento

Management Discussion & Analysis



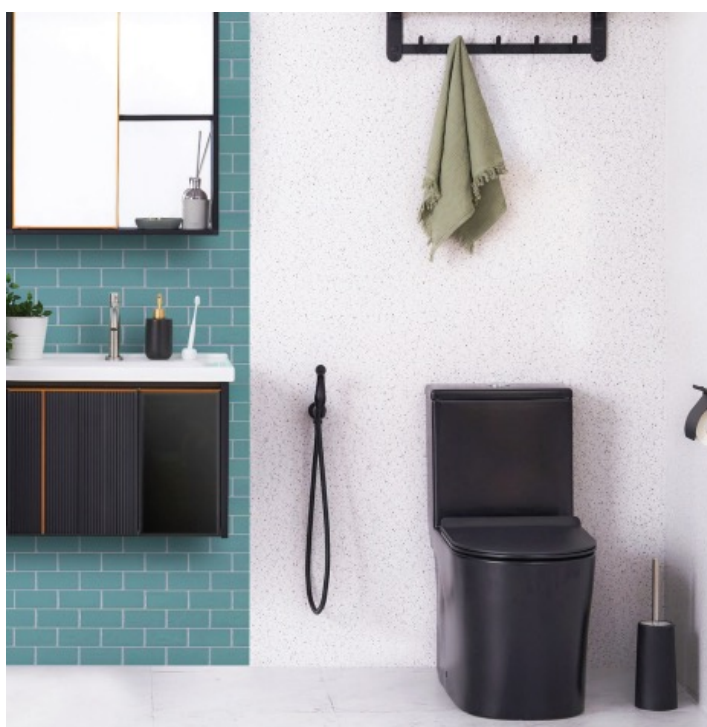
Management Discussion & Analysis



Mocha



Cabana



i-Born

Management Discussion & Analysis

Third-Party Brands

∞. Infinity

BRAVAT
BY DIETSCH 1873

In addition to proprietary house brands, the Group has broadened its product offering through distributorship arrangements with established international brands. The Group holds the non-exclusive distribution rights in Malaysia for Germany's '**Bravat**' and serves as the sole authorised distributor in Malaysia for Spain's '**Infinity**'. These distributorship arrangements complement the Group's house brand portfolio with established international brands serving the luxury bathroom and kitchen sanitary ware segments.

Together, our portfolio encompasses a comprehensive range of products across multiple market segments. This breadth enables us to provide integrated bathroom and kitchen sanitary ware solutions that cater to the diverse functional, aesthetic and budgetary requirements of both residential and commercial customers.



Sorento Capital's Bukit Raja Warehouse



Sorento Capital's Meru Warehouse

Management Discussion & Analysis

Our business activities are supported by two warehouse facilities located in Meru and Bukit Raja in Selangor. These facilities provide the operational support required to manage our extensive product portfolio and facilitate the efficient fulfilment of customer orders. We operate an asset-light business model and do not undertake manufacturing activities. Instead, our products are sourced from a broad network of overseas suppliers, many of whom have maintained long-standing relationships with us. This sourcing model enables us to offer a diverse range of products while maintaining operational flexibility in responding to market demand.

Our Distribution Channels



Sorento Capital Group's route to market comprises dealer, project-based and online channels, providing access to both business-to-business ("B2B") and business-to-consumer ("B2C") markets. Each channel serves distinct customer segments and supports the distribution of the Group's products across Malaysia.

The dealer channel remains a key component of our distribution network. As at 30 June 2026, our network comprised 699 dealers (FYE 2025: 687 dealers). These dealers include wholesalers, home improvement retailers, hardware retailers and chain store operators. By leveraging the geographical reach and local market knowledge of our dealer network, we are able to facilitate different product distribution and enhance the accessibility of our brands across the country.

In addition to the dealer network, we supply products directly to 201 project customers (FYE 2025: 175 project customers) involved in property development and related activities. These customers include the procurement arms of property developers, trading companies, contractors and interior designers. Through this channel, our products are supplied for new developments as well as refurbishment and renovation projects, providing opportunities for larger-volume orders and supporting relationships with industry participants across the property development and construction sectors.

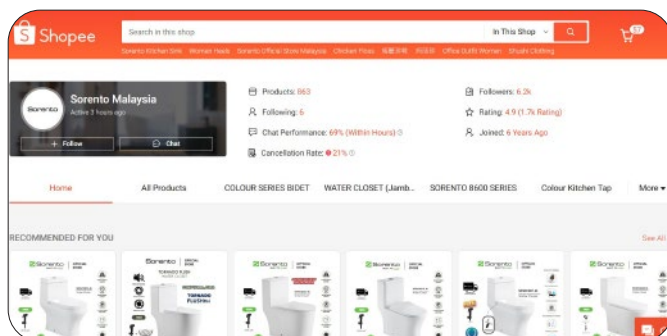
Management Discussion & Analysis



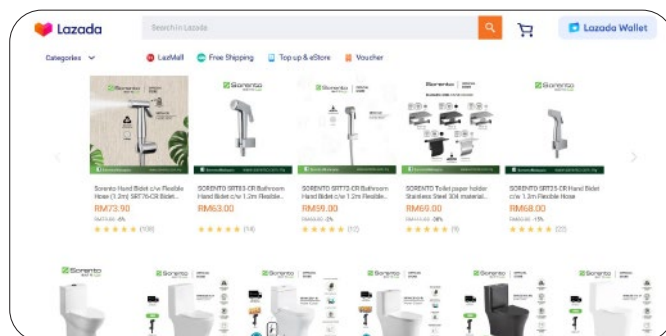
Sorento Capital's Presence via Dealers Network

Notable customers within this segment include SP Setia Berhad, Eco World Development Group Berhad, UOA Development Berhad, SkyWorld Development Berhad, Mah Sing Group Berhad and IJM Land Berhad.

We also maintain an online presence through e-commerce platforms, including Shopee and Lazada, which collectively have more than 10,000 followers. These digital channels complement our established distribution network by providing customers with convenient access to our products beyond our physical dealer network. Together, these physical and digital distribution channels provide broad market coverage and enable us to serve a diverse customer base comprising both corporate customers and end consumers.



'Sorento' Official Store on Shopee



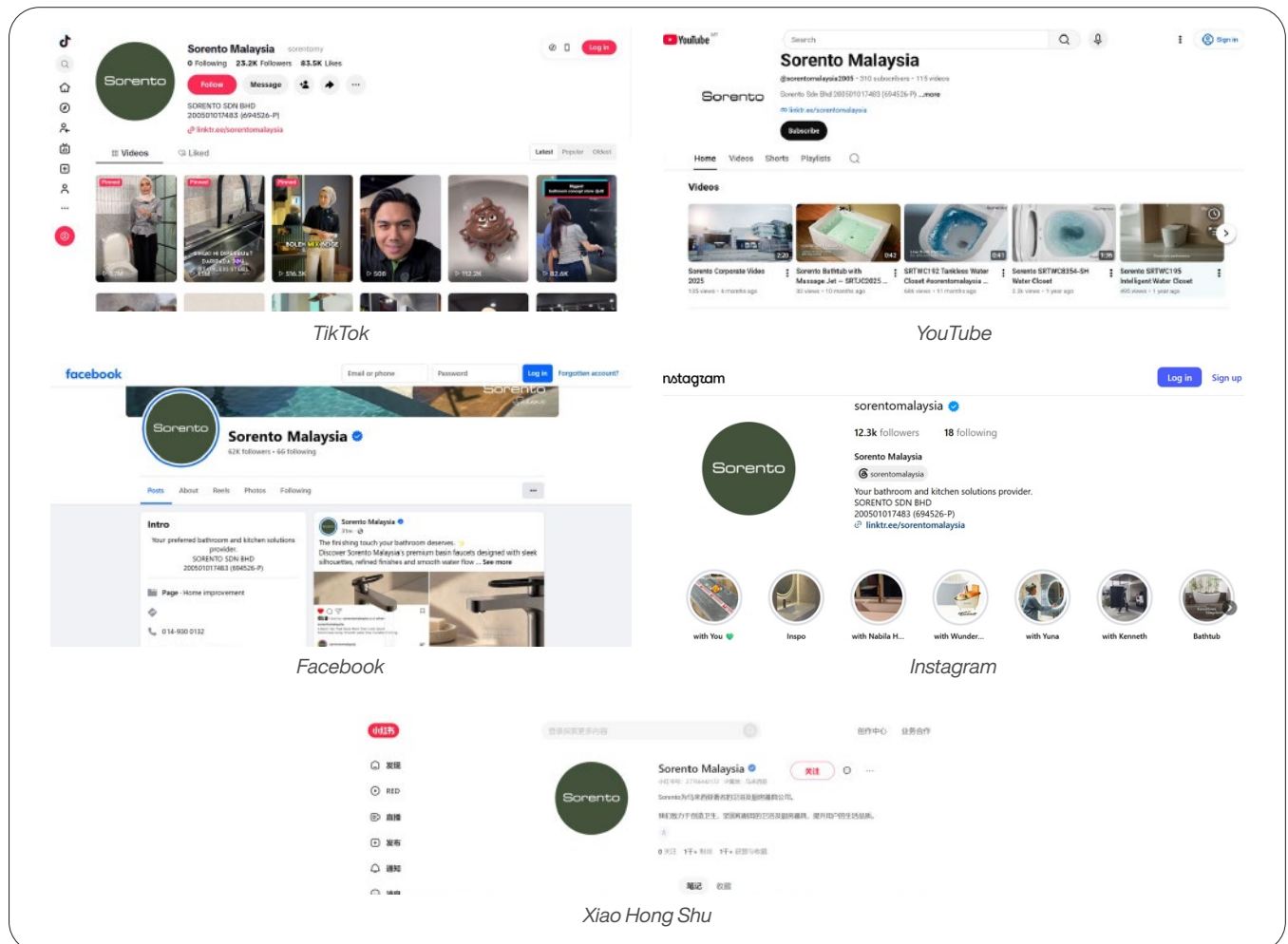
'Sorento' Official Store on Lazada

Our Marketing Initiatives

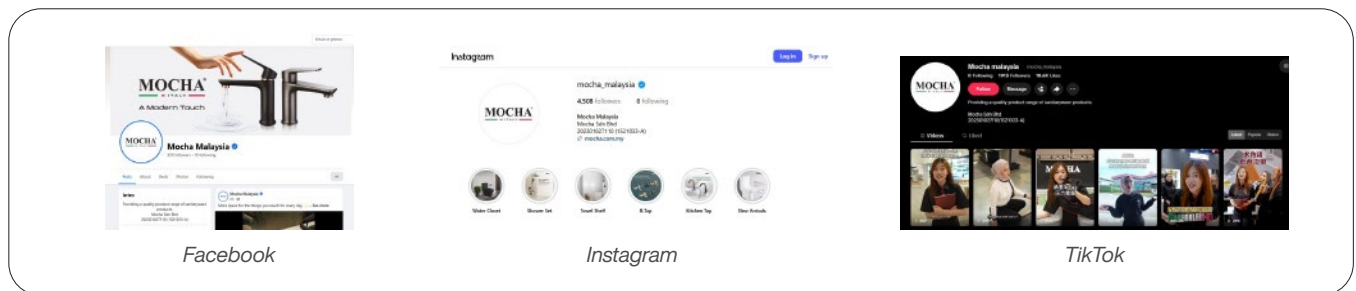
To strengthen brand awareness and visibility, the Group maintains an active presence across its social media platforms — including TikTok, Instagram, Facebook, Xiao Hong Shu ("XHS") and YouTube. The Group regularly produces content and collaborates with influencers to expand its digital reach and engage with a broader audience.

As at the date of this Annual Report, the Group has approximately 156,000 followers across these social media platforms, reflecting growing brand recognition among Malaysian consumers. In addition to its digital marketing activities, the Group continues to undertake physical marketing initiatives, including strategically placed billboards, to enhance the visibility of the Sorento brand across its key markets.

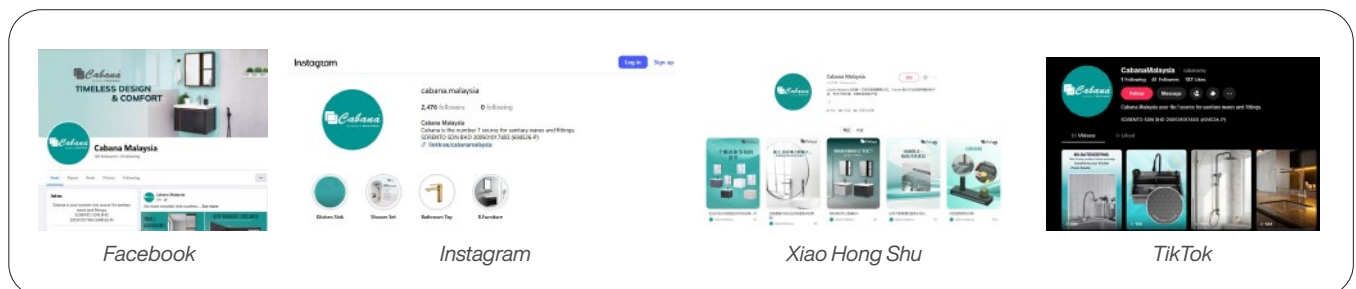
Management Discussion & Analysis



Sorento's Social Media Pages



Mocha's Social Media Pages



Cabana's Social Media Pages

Management Discussion & Analysis

BUSINESS AND OPERATIONAL REVIEW

During the financial year, the Group introduced the **'Sorento Lite'** range of plumbing fittings, including bidet hoses, valves, connectors, elbows, nozzles and other related products commonly used for repair and replacement purposes. The products are distributed through a network of hardware stores, targeting plumbers, contractors and end consumers.

New Product Range: 'Sorento Lite'

The expansion into the hardware store channel provides Sorento Capital Group with direct access to the replacement market, where demand is supported by recurring repair and maintenance requirements alongside new construction activity. This provides the Group with an additional revenue stream and broadens its customer base beyond the property development market. As at 30 June 2026, approximately 196 dealers and hardware stores across Malaysia had commenced engagement with the **'Sorento Lite'** product range, as the Group continued to develop and expand its distribution network.



'Sorento Lite' Products



'Sorento Lite': Product Line of Plumbing Fittings

FINANCIAL REVIEW

Financial Highlights

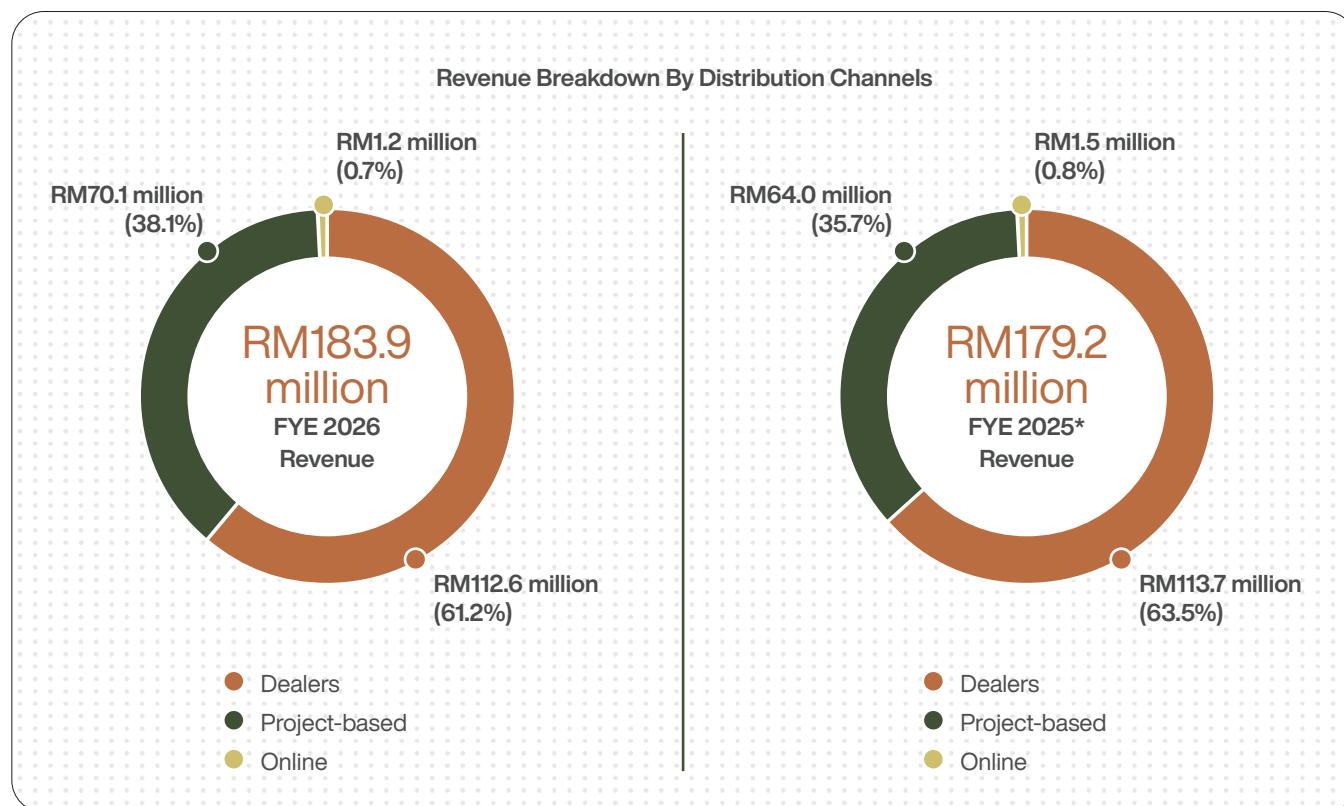
FYE 30 June / RM million	FYE 2026	FYE 2025	% Changes
Revenue	183.9	179.2	+2.6%
Gross Profit ("GP")	83.2	77.2	+7.8%
Profit Before Tax ("PBT")	41.3	36.0	+14.7%
Profit After Tax ("PAT")	30.8	26.2	+17.6%
GP Margin	45.2%	43.1%	2.1 ppt
PBT Margin	22.5%	20.1%	2.4 ppt
PAT Margin	16.7%	14.6%	2.1 ppt

ppt = percentage point

TOPLINE PERFORMANCE

Revenue rose 2.6% YoY to RM183.9 million in FYE 2026 from RM179.2 million in FYE 2025, marking another record revenue for the Group. Growth was principally driven by higher project-based sales, which partly offset a marginal softening in the dealer channel.

Management Discussion & Analysis



**The FYE 2025 revenue breakdown presented in this Annual Report differs from that reported in the FYE 2025 Annual Report, following a reclassification to align with the current basis of presentation. The reclassification is intended to provide a more meaningful and consistent representation of the Group's revenue streams and does not affect the Group's total revenue or reported results for the respective financial years.*

Dealers and project-based sales together accounted for 99.3% of the Group's revenue in FYE 2026, with dealers remaining the largest contributor at RM112.6 million (61.2%), followed by project-based sales at RM70.1 million (38.1%). Meanwhile, online sales contributed RM1.2 million, or 0.7% of the total revenue, during the financial year.

PROFITABILITY

For the financial year under review, GP increased to RM83.2 million from RM77.2 million a year ago, representing 7.8% YoY growth. GP margin also improved to 45.2% from 43.1%, primarily driven by a more favourable sales mix and improved operating efficiency.

Supported by the higher GP contribution and continued cost management, the Group's PBT rose to RM41.3 million, up 14.7% from RM36.0 million in FYE 2025. PAT reached a record RM30.8 million, representing a 17.6% YoY increase from RM26.2 million in FYE 2025. Correspondingly, PAT margin improved to 16.7% from 14.6%, reflecting the Group's improved margin performance and continued focus on cost discipline.

Management Discussion & Analysis

CASH FLOW HIGHLIGHTS

Cash Flow Highlights	FYE 2026 (RM million)	FYE 2025 (RM million)
Net cash from operating activities ("NOCF")	31.8	17.7
Net cash (used in) investing activities	(3.3)	(25.6)
Net cash (used in)/from financing activities	(18.2)	28.8
Net changes in cash and cash equivalents	10.3	20.9
Cash and cash equivalents at end of the financial year	43.4	33.1

Cash and cash equivalents increased by RM10.3 million during FYE 2026, reflecting the net impact of the Group's operating, investing and financing activities as outlined below.

i. Net cash from operating activities

NOCF strengthened to RM31.8 million in FYE 2026 from RM17.7 million in the previous year, mainly driven by higher operating profit and favourable working capital movements. The Group continued to generate positive operating cash flow during FYE 2026.

ii. Net cash used in investing activities

Net cash used in investing activities amounted to RM3.3 million, mainly comprising the placement of other investments and the acquisition of property, plant and equipment, investment properties and intangible assets. These outflows were partly offset by proceeds from asset disposals, withdrawals of fixed deposits, and interest and dividend income received.

iii. Net cash used in financing activities

Net cash used in financing activities amounted to RM18.2 million, mainly comprising dividend payments, lease liability and trade facility repayments, as well as interest payments. In comparison, the Group recorded a net cash inflow of RM28.8 million in FYE 2025, largely attributable to capital raised following the listing exercise.

Balance Sheet Highlights as of 30 June 2026



**RM212.3
Million**
Total Assets



**RM49.1
Million**
Total Liabilities



**RM163.2
Million**
Total Equity



**RM43.4
Million**
Cash and Cash Equivalents



**RM31.8
Million**
Net Operating Cash Flow



Positive
Net Cash Position

Management Discussion & Analysis

CAPITAL STRUCTURE AND RESOURCES

The Group closed FYE 2026 with a stronger capital position, supported by a larger equity base, lower liabilities and a net cash position. This provides the Group with greater financial flexibility to meet its operational requirements and support its business plan.

Total assets increased by 8.4% YoY to RM212.3 million, from RM195.8 million in FYE 2025, largely attributable to higher other investments.

Total liabilities decreased by 6.8% to RM49.1 million, from RM52.7 million previously, mainly due to lower loans and borrowings following the repayment of trade facilities. This, together with a slight reduction in non-current lease liabilities, resulted in the Group moving from a net debt position of RM0.4 million including lease liabilities in FYE 2025 to a net cash position of RM3.7 million in FYE 2026.

Meanwhile, total equity increased by 14.0% YoY to RM163.2 million, from RM143.1 million, supported by higher retained earnings.

DIVIDEND

The Group formalised its dividend policy in February 2026, providing for the distribution of at least 30% of its annual net profit, subject to the Group's financial performance, cash flow position and funding requirements.

For FYE 2026, total dividends declared amounted to 1.25 sen per share, representing a payout ratio of 34.9%, above the minimum 30% stipulated under the dividend policy. The Board will continue to balance shareholder returns with the Group's capital requirements to support its operations and long-term growth.



1.25 Sen

FYE 2026
Dividend Per Share



34.9%

FYE 2026
Dividend Payout

ANTICIPATED RISKS

Competitive Bathroom and Kitchen Sanitary Ware Industry

The bathroom and kitchen sanitary ware market remains highly fragmented, with relatively low barriers to entry and the presence of numerous domestic and international brands across various price segments. Competitive intensity may increase further as e-commerce platforms provide consumers with convenient access to a wider range of products and greater price transparency, which could place additional pressure on pricing, margins and customer retention.

The Group mitigates these competitive pressures through a broad portfolio of approximately 6,000 SKUs, supported by product selection guidance, responsive sales support, after-sales and warranty services, local inventory availability and an established nationwide dealer network. These capabilities enable the Group to provide customers with product selection support, reliable fulfilment and post-purchase assistance, while supporting its position as a comprehensive bathroom and kitchen sanitary ware solutions provider.

Reliance on External Manufacturers

The Group's asset-light business model enables it to offer an extensive product range without maintaining its own manufacturing facilities. However, this model also results in reliance on third-party manufacturers to meet the Group's product specifications, quality standards and branding requirements. Any disruption to production, deterioration in product quality or increase in raw material, freight and labour costs could affect product availability and profitability, particularly where such additional costs cannot be passed on to customers in a timely manner.

The Group mitigates this exposure by maintaining a diversified supplier base and, where practicable, sourcing comparable products from multiple manufacturers. Regular supplier engagement and quality monitoring are undertaken to support supply continuity and product consistency. The Group's established market presence and purchasing scale also provide opportunities to negotiate competitive supplier terms.

Management Discussion & Analysis

Exposure to Foreign Currency Movements

The Group's purchases from overseas suppliers are denominated mainly in United States Dollars ("USD") and Renminbi ("RMB"). Accordingly, fluctuations in these currencies against the Malaysian Ringgit ("MYR") may affect the Group's purchase costs and consequently, its financial performance.

To mitigate this exposure, the Group closely monitors foreign exchange movements and may lock in exchange rates when considered favourable for anticipated supplier payments. The Group also monitors market conditions and may undertake appropriate foreign exchange arrangements to manage the impact of adverse foreign currency fluctuations on its financial performance.

Absence of Long-Term Customer Contracts

The Group's sales are principally undertaken through purchase orders rather than long-term contractual arrangements. While this provides customers with purchasing flexibility, it limits forward

revenue visibility and provides no assurance of recurring orders. The loss of an established or major customer could adversely affect the Group's financial performance if the resulting sales gap is not replaced in a timely manner.

To mitigate this risk, the Group continues to broaden its customer base across dealerships, project-based and online channels. The introduction of new products and expansion into additional distribution channels, including hardware stores also provide opportunities to generate new demand. Continued customer acquisition and diversification of the customer base further reduce the Group's exposure to the loss of any single customer.

PROSPECTS AND OUTLOOK

Subsequent to the close of FYE 2026, the Group completed three key initiatives that build on the progress achieved during the year under review, namely the expansion of its physical presence in the southern region of Malaysia, the introduction of the premium '*Sorento Serene*' series, and the transfer of its listing to the Main Market of Bursa Malaysia.



Grand Opening of "Sorento Concept" Showroom on 8 August 2026

Management Discussion & Analysis

Expansion of Physical Presence: "Sorento Concept" Showroom in Johor Bahru

A key milestone in the Group's expansion of its physical presence was the grand opening of the flagship "Sorento Concept" showroom in Johor Bahru on 8 August 2026. The showroom, with a built-up area of approximately 10,000 square feet, further expands the Group's physical presence in the southern region. It positions the Group with an additional platform to serve customers in Johor and Singapore, supported by the close economic and geographical ties between the two markets, as well as ongoing developments such as the Johor-Singapore Special Economic Zone ("JS-SEZ") and the Johor Bahru-Singapore Rapid Transit System ("RTS") Link.

Designed as both a retail and experiential centre, the showroom provides customers with an opportunity to view a comprehensive selection of the Group's products in a curated setting. It also serves as a platform for the Group to engage with customers across both its B2B and B2C sales channels.

Deepening Presence in the Premium Segment: 'Sorento Serene'

Leveraging the Johor showroom opening, Sorento Capital introduced its latest premium '**Sorento Serene**' series, comprising six (6) collections – Flow, Silk, Lumi, Smith, Paisley and Jewel.

Flow Series: Inspired by the fluid rhythm of a gentle stream, featuring organic silhouettes that bring peace and harmony.

Silk Series: Designed with smooth, organic curves reminiscent of rolling sand dunes, the collection minimises harsh angles and softens the space.

Lumi Series: Focuses on modern elegance through brushed metal finishes that cast a soft, diffused glow instead of a harsh glare.

Smith Series: Emphasises tactile surfaces and artisanal craftsmanship in every touch.

Artistry – Jewel Series: Draws inspiration from fine jewellery, with carefully shaped silhouettes that evoke the brilliance of precious stones.

Artistry – Paisley Series: Pays tribute to Malaysia's rich cultural heritage, drawing inspiration from traditional batik patterns.

The introduction of '**Sorento Serene**' further expands the Group's product portfolio and enables it to cater to demand from customers seeking higher-end bathroom solutions, including Singaporean shoppers visiting Johor.



'Sorento Serene' Products at "Sorento Concept" Store in Johor Bahru

Management Discussion & Analysis



'Sorento Serene'

Management Discussion & Analysis



'Sorento Serene' Product Showcase at "Sorento Concept" Store in Johor Bahru

Transfer to the Main Market of Bursa Malaysia



On 28 August 2026, Sorento Capital successfully transferred the listing of its entire 860,000,000 issued ordinary shares from the ACE Market to the Main Market of Bursa Malaysia. The transfer represents an important corporate milestone in the Group's continued development, following the Group's initial listing on the ACE Market in October 2024. The Main Market listing provides the Group with an enhanced platform to strengthen its market profile and visibility, while broadening its access to the capital market and a wider range of investors, including institutional investors. The transfer also reflects the Group's continued development and progress since the Group's listing.

Taken together, these developments position the Group well as it enters FYE 2027.

On the macroeconomic front, Malaysia's economy is expected to remain resilient. BNM currently expects Malaysia's 2026 economic growth to remain within its 4.0%–5.0% forecast range, with recent developments indicating that growth could reach around 5.0%. The Overnight Policy Rate ("OPR") has remained at

2.75% since July 2025, following BNM's decision to maintain the rate at 2.75% at its September 2026 meeting.

The construction sector, a key demand driver for the Group's products, continued to record positive growth in 1H 2026. According to the Department of Statistics Malaysia ("DOSM"), the value of construction work done reached RM94.3 billion in 1H 2026, representing an 8.7% increase YoY. Growth was supported by all major subsectors, particularly special trade activities and non-residential buildings.

Government measures to support home ownership are also expected to provide continued support to the residential property market. Under Budget 2026, the 100% stamp duty exemption for Malaysian citizens purchasing their first residential property priced up to RM500,000 has been extended for sale and purchase agreements executed from 1 January 2026 to 31 December 2027. Together with ongoing home ownership initiatives and new private sector developments, these measures may support demand for bathroom and kitchen sanitary ware across new residential developments, refurbishment and renovation activities.

Johor also presents opportunities for further business expansion. The Group's recently opened showroom in Johor Bahru, provides an additional platform to serve customers in the state and surrounding areas.

Management Discussion & Analysis



'Sorento Serene' Product

Meanwhile, the Group will continue to expand its distribution for **'Sorento Lite'** through hardware stores across Malaysia, with the aim of increasing the contribution of the replacement market to the Group's sales over time.

To support its growing business and increasingly complex operating environment, the Group is also implementing initiatives to enhance the use of technology across its business and operational processes. The Group is gradually adopting artificial intelligence ("AI"), including AI-driven support tools, to streamline sales activities and improve operational efficiency. These initiatives are intended to shorten transaction turnaround times and enhance resource utilisation.



Kitchen Sinks and Taps

The Group will also continue to strengthen its brand equity through service across the customer journey, from point-of-sale assistance to after-sales support, while maintaining a broad product portfolio that caters to diverse customer requirements. In parallel, the Group will continue to expand its product offerings in response to evolving market demand and evaluate opportunities that support its long-term growth.

Sorento Capital Group will continue to monitor macroeconomic and industry developments and remain responsive to emerging risks and opportunities. With a strengthened balance sheet, broader product portfolio and its position as a Main Market-listed company, the Group will continue to focus on building a sustainable platform for long-term growth and shareholder value.

ACKNOWLEDGEMENTS

FYE 2026 was a milestone year for Sorento Capital, marked by significant progress across both financial and operational fronts. We achieved our highest revenue and PAT to date and launched the new **'Sorento Lite'** product range. This momentum continued into FYE 2027, with the opening of our new concept showroom in Johor Bahru, the introduction of the premium **'Sorento Serene'** series and the transfer of our listing to the Main Market of Bursa Malaysia. These milestones would not have been possible without the support and contributions of all our stakeholders.

On behalf of the Board, I would like to express my appreciation to my fellow Directors for their prudent guidance and diligent oversight throughout the year. I am equally grateful to our management team and employees, whose commitment, dedication and disciplined execution contributed significantly to the Group's performance during the year.

My sincere thanks also go to our customers, business partners, suppliers, bankers and other stakeholders for their continued trust and support. To our shareholders, I extend my deepest gratitude for your continued confidence in the Group.

As we embark on the next phase of our development, we remain committed to building on the progress achieved and creating sustainable long-term value for our shareholders.

Mr. Loo Chai Lai
Managing Director

Sustainability Statement



Sorento Capital Berhad (“Sorento Capital” or “the Company”), through its subsidiaries (collectively, “Sorento Capital Group” or “the Group”), operates as a one-stop bathroom and kitchen sanitary ware solutions provider, offering a comprehensive range of products comprising trusted house and third-party brands.

During the financial year ended 30 June 2026 (“FYE 2026”), the Group continued to broaden its product offerings, including the introduction of a new plumbing fittings line under ‘**Sorento Lite**’, alongside our existing range of bathroom and kitchen sanitary ware. As the Group’s business grows, so does our responsibility to manage the Group’s environmental, social, and governance (“ESG”) impacts. This Sustainability Statement (“SS2026” or “the Statement”) outlines the Group’s approach to sustainability during FYE 2026.

Sustainability Statement

ABOUT THIS REPORT

Reporting Scope and Period

This SS2026 covers the period from 1 July 2025 to 30 June 2026, in line with the Group's financial year, unless otherwise stated. It covers sustainability-related disclosures across the Group's headquarters and warehouse in Bukit Raja, Klang, Selangor ("Bukit Raja Facility"), as well as our warehousing facility in Meru, Klang, Selangor ("Meru Facility").

This Statement covers the Company and the following subsidiaries:

- Sorento Sdn. Bhd. ("SSB")
- Beyond Bath Sdn. Bhd. ("BBSB")
- Nautical Sanitaryware Sdn. Bhd. ("NSSB")
- Ideal Bath Sdn. Bhd. ("IBSB")
- Mocha Sdn. Bhd. ("MSB")

Reporting Frameworks and Standards

This Statement has been prepared in accordance with the applicable sustainability reporting requirements under Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), guided by Bursa Securities' Sustainability Reporting Guide and Toolkits (3rd Edition). We aim to progressively enhance our sustainability-related and climate-related disclosures with reference to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and IFRS S2 Climate-related Disclosures ("IFRS S2"), in line with Malaysia's National Sustainability Reporting Framework. We will continue to strengthen our sustainability practices and reporting capabilities to support this transition.

Statement of Assurance

This SS2026 has been reviewed and approved by Sorento Capital's Board of Directors ("the Board") on 27 October 2026. The information and data disclosed in SS2026 have been verified for accuracy by the respective data owners and subsidiaries within the Group. This Statement has not been subjected to independent assurance by an external assurance provider.

SUSTAINABILITY GOVERNANCE

The Group's sustainability oversight continues to be guided by the Board, which retains overall responsibility for sustainability-related matters. Supporting the Board in this capacity, a Sustainability Committee is responsible for implementing and monitoring sustainability-related matters across the Group, chaired by an Executive Director ("ED") and comprises representatives from Human Resources, Warehouse, Purchasing, Accounts, Marketing, and Safety. We continue to review and enhance our sustainability governance practices. During FYE 2026, we took steps towards strengthening our sustainability governance, including the development of relevant ESG policies. We will continue to progressively enhance our sustainability governance practices as our sustainability journey matures.

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Understanding the perspectives of our stakeholders remains central to how Sorento Capital Group operates. Through ongoing engagement across various platforms, we gather valuable insights that inform our priorities and support effective decision-making across the business.

Stakeholder Groups	Communication Channels	Areas of Interest
 Shareholders, investors, bankers and analysts	<ul style="list-style-type: none"> Annual General Meeting Annual reports Quarterly reports Press releases Analyst briefings Company website updates 	<ul style="list-style-type: none"> Sustainable financial returns Ethical business practices Financial and operational performance Share price performance
 Customers	<ul style="list-style-type: none"> Business engagement visits Regular updates and meetings Social media Sales, marketing, and promotional events Website 	<ul style="list-style-type: none"> Product quality, safety and workmanship Timely delivery Customer service and experience Design and features
 Employees	<ul style="list-style-type: none"> Regular management meetings Annual performance reviews Training programmes Social events Festive celebrations 	<ul style="list-style-type: none"> Occupational safety and health Employee appreciation, welfare, and benefits Career advancement Training and development Fair and equitable treatment
 Suppliers	<ul style="list-style-type: none"> Business meetings Business reviews Purchasing procedures and policies 	<ul style="list-style-type: none"> Ethical business practices ESG and responsible sourcing practices Occupational safety and health Product quality and safety Timely delivery Supply chain efficiency
 Government / Regulators	<ul style="list-style-type: none"> Regulatory disclosures and reporting Annual audits 	<ul style="list-style-type: none"> Compliance with regulations Ethical business practices
 Local communities	<ul style="list-style-type: none"> Community events Corporate Social Responsibility activities Regular interactions 	<ul style="list-style-type: none"> Contribution towards community Community engagement Responsible operations Job opportunities

Sustainability Statement

MATERIALITY ASSESSMENT

For FYE 2026, we conducted an annual review to assess the continuing relevance of the material matters identified through our initial materiality assessment undertaken in FYE 2025. As part of this review, we took into consideration the developments in the Group's operations and the broader regulatory and economic environment, as well as relevant risks identified through the Group's enterprise-wide risk assessment for FYE 2026.

Based on the review, the following 12 sustainability matters were identified as material to the Group for FYE 2026. These form the basis of our sustainability disclosures and are addressed in detail under the Management Approach section of this Statement.



Sustainability Statement

Sustainability-Related and Climate-Related Risks and Opportunities

As part of the materiality review, we considered the identified sustainability-related and climate-related risks and opportunities associated with the Group's material sustainability matters, together with relevant risks identified through the Group's broader risk management process. The results supported the review of the continuing relevance of the material matters and informed the risk and opportunity disclosures presented below.

Material Matter

Risks

Opportunities



ENVIRONMENTAL PILLAR

Climate Change and Energy Management	Physical climate events, including flooding, heavy rainfall and extreme heat, may damage inventory, disrupt warehousing and deliveries, and increase operating costs.	Strengthening the Group's disaster recovery and emergency response arrangements can improve operational resilience.
	Evolving climate regulations and customer expectations may also increase compliance costs and affect competitiveness.	Expanding green certified and water efficient product offerings can support participation in green building projects and strengthen market differentiation.
Water Management	Inefficient water use, leaks or abnormal consumption may increase utility costs and resource wastage.	Monitoring consumption, promptly repairing leaks and promoting responsible water use can improve efficiency and cost management.
		Offering water-efficient and certified products can support demand from environmentally conscious customers and developers.
Waste Management	Improper handling of waste may increase disposal costs and expose the Group to environmental and regulatory concerns.	Reusing pallets and packaging materials, improving waste segregation and reducing paper-based marketing materials can reduce waste, improve resource efficiency and lower disposal costs.



SOCIAL PILLAR

Labour Practices and Human Rights	Failure to comply with labour requirements or uphold fair employment and human rights practices may expose the Group to legal and reputational risks and affect workforce stability.	Maintaining fair employment practices, employee welfare measures and appropriate communication channels can support a stable and engaged workforce.
Diversity	Failure to maintain fair and inclusive employment practices may affect employee engagement, talent attraction and retention, and the diversity of perspectives available for decision-making.	A diverse and inclusive workforce and Board can support balanced decision-making, innovation and access to a wider talent pool.
Talent Management	Inadequate workforce planning, manpower shortages, skills gaps or the loss of key personnel may reduce productivity, increase recruitment costs and affect operational and leadership continuity.	Recruitment planning, competitive remuneration, performance appraisals and employee training can strengthen capabilities, retention and leadership continuity.

Sustainability Statement

Material Matter	Risks	Opportunities
Occupational Safety and Health	Workplace accidents may result in injuries, regulatory penalties, compensation costs and operational disruption.	Safety procedures, training, inspections and incident reviews can reduce workplace hazards and support continuity of operations.
Community Engagement	Limited community engagement may reduce the social impact of the Group's contributions and weaken community relationships.	Supporting relevant education, welfare and community initiatives can address community needs and strengthen relationships with local communities.



GOVERNANCE PILLAR

Ethical Business Practices	Fraud, bribery, corruption or other misconduct may result in financial loss, legal liabilities, regulatory sanctions and reputational damage.	The Group's anti-bribery and corruption controls, approval procedures and whistleblowing channels reinforce accountability and stakeholder confidence.
Supply Chain Management	The concentration of procurement expenditure among overseas suppliers exposes the Group to shipment delays, geopolitical developments, cost fluctuations and limited visibility over supplier ESG practices. Product quality and delivery issues may also disrupt customer fulfilment.	Maintaining multiple suppliers for key product categories, alternative supplier arrangements, flexible freight options, inventory buffers and regular supplier evaluations can strengthen supply continuity.
Product Responsibility and Customer Satisfaction	Product defects, certification lapses or inadequate after-sales support may result in warranty claims, sales disruption, customer dissatisfaction and reputational damage.	Quality inspections, warranty support, supplier and logistics claims, and timely certification renewals can manage financial exposure and maintain customer confidence.
Data Privacy and Security	Cybersecurity incidents, unauthorised access or improper handling of personal data may disrupt operations, compromise confidential information and result in legal, financial or reputational consequences.	Existing access controls, data protection procedures, system safeguards, backups and employee reminders can strengthen operational resilience and the secure handling of information.

OUR APPROACH TO SUSTAINABILITY

The Group views sustainability as an integral part of responsible business management and seeks to incorporate ESG considerations into our operations and planning. Our Sustainability Policy communicates the Group's sustainability direction to employees, customers and other stakeholders, while guiding the Board and key senior management in considering sustainability matters in the Group's planning, performance and long-term strategy.

This approach is supported by the Group's policies, procedures and operational practices covering environmental responsibility, workplace standards, ethical conduct and governance. We will continue to refine our sustainability practices and disclosures in response to evolving business needs and regulatory requirements.

Sustainability Statement



GOVERNANCE

ETHICAL BUSINESS PRACTICES

Ethical business practices are important to maintaining the trust of the Group's stakeholders and protecting the business from legal, financial and reputational consequences arising from misconduct.

Our governance framework sets out the standards of conduct expected of the Board, employees, and business partners, providing a consistent basis for compliance, accountability, and fair dealing across our operations. Key governance policies at Sorento Capital Group include the following:

- Board Charter
- Conflict of Interest Policy
- Directors' Fit and Proper Policy
- Remuneration Policy
- Sustainability Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Code of Ethics and Conduct

Code of Ethics and Conduct

The Code of Ethics and Conduct ("the Code") sets out the standards of conduct expected of all Directors and employees of Sorento Capital Group. It covers compliance with applicable laws and regulations, ethical handling of conflicts of interest, and safeguarding of the Group's assets and confidential information, among others. Any breach of the Code is brought

to the Board's attention, which retains discretion over the appropriate course of action.

Anti-Bribery and Corruption Policy

The Group maintains a zero-tolerance position on bribery and corruption, governed by Anti-Bribery and Corruption ("ABC") Policy, which was adopted in accordance with the Malaysian Anti-Corruption Commission Act 2009 and its 2018 Amendment. The policy is published on the Company's corporate website at www.sorentocapital.com.

The ABC Policy sets out the Group's approach to preventing, identifying, and responding to bribery and corruption. Standards of conduct under the policy cover matters such as gifts, hospitality, and entertainment, as well as donations, sponsorships, and political contributions, all of which require appropriate approval and recording.

The policy extends beyond the Board, management, and employees to associated third parties including suppliers, contractors, agents, and distributors, who are required to sign a declaration confirming their compliance before engagement.

New employees are introduced to the ABC Policy during onboarding and are required to sign a declaration confirming they have read and will abide by the policy. In FYE 2026, anti-corruption training was carried out for 44 employees, all of whom were new joiners.

Number of New Employees Received Training on Anti-Corruption in FYE 2026



10

Executives



34

Non-Executives



Total

44

(24% of total employees)

Sustainability Statement

The Board has overall oversight of the ABC Policy, supported by the Audit and Risk Management Committee ("ARMC") and Internal Audit. Periodic bribery and corruption risk assessments are conducted with the findings reported to the Board for deliberation. The ABC Policy has been identified by Internal Audit as one of the areas to be covered under its Internal Audit plan and is subject to review in accordance with the approved audit scope. The policy is reviewed at least once (1) every three (3) years, or earlier where circumstances require.

In FYE 2026, the Group recorded zero (0) confirmed incidents of corruption.



ZERO

Confirmed
Corruption Cases
in FYE 2026

Whistleblowing Policy

The Group's Whistleblowing Policy provides employees, shareholders, and associated third parties with a confidential channel to report suspected misconduct, including fraud, bribery and corruption, conflict of interest, abuse of power, and criminal breach of trust. The policy is accessible on the Company's corporate website at www.sorentocapital.com.

The Whistleblowing Policy covers a broad range of matters, including but not limited to:



Fraud or
Dishonesty



Breaches of
Policies



Breaches of Procedures and
Applicable Laws and Regulations



Bribery, Corruption
or Blackmail



Abuse of
Power



Conflict of
Interest



Insider
Trading



Criminal
Offences



Criminal Breach
of Trust



Misuse of Confidential
Information



Sexual
Harassment

The identity of a whistleblower is kept confidential and disclosed only where necessary, for the purpose of investigation and, where applicable, with the whistleblower's consent. Individuals who report in good faith are protected from retaliation, including discrimination, demotion, suspension, or dismissal.

Concerns are ordinarily raised with an immediate superior or, where this is not appropriate, escalated to the Managing Director ("MD") or ED. Where reporting through management is not appropriate, concerns may instead be directed to the ARMC Chairperson, providing an independent reporting channel outside the management line. Reports are screened, investigated, and referred to the ARMC for deliberation, with outcomes reported to the Board.

The policy is published on the Group's website and reviewed at least once (1) every three (3) years, or earlier where circumstances require.

The Group recorded zero (0) whistleblowing reports in FYE 2026.



ZERO

Whistleblowing
Reports Received
in FYE 2026

Sustainability Statement

SUPPLY CHAIN MANAGEMENT

The quality and reliability of the products that Sorento Capital Group brings to market depend significantly on the strength of its supplier network, spanning both local and foreign partners. As a provider of bathroom and kitchen sanitary ware solutions, effective supplier management is essential to maintaining business continuity and customer trust.

Supplier Selection and Evaluation

Procurement is governed by the Group's Standard Operating Procedures ("SOPs") for purchasing, as well as the selection and evaluation of suppliers. The framework is reviewed periodically to ensure it remains effective and aligned with evolving business and sustainability expectations.

Under this framework, new vendors are evaluated against defined criteria, as set out below. Where a supplier does not meet the required standards, the sourcing process is repeated until a suitable alternative is identified.

Key Criteria in Supplier Selection

- ✓ Provision of product samples
- ✓ Good communication skills
- ✓ Consistent quality of goods supplied
- ✓ Transparent and accurate product information
- ✓ Well-calibrated equipment
- ✓ Satisfactory findings from factory tours
- ✓ Competitive and fair pricing

Approved suppliers are entered into the Group's Approved Supplier Master Listing ("ASML"), which serves as the register from which all procurement activities are conducted. Existing suppliers are subject to annual re-evaluation, particularly for high-volume stock-keeping units ("SKUs"), with the ASML updated accordingly.

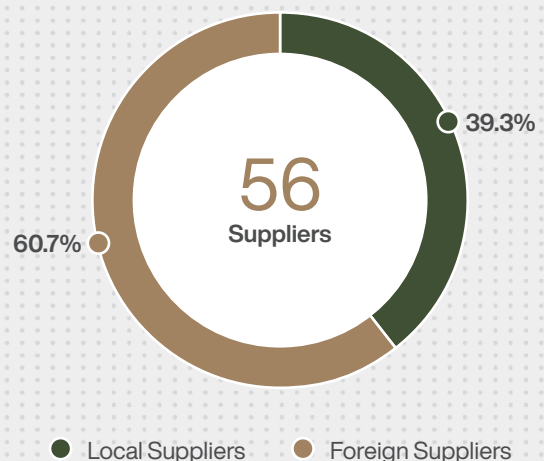
Beyond these operational criteria, in FYE 2026, the Group initiated discussions with selected key suppliers on ESG-related practices and compliance expectations, representing an early step towards broadening the scope of supplier assessment. Over time, we intend to gradually incorporate ESG factors into our supplier selection and evaluation process.

Supplier Base

The Group's ability to offer a comprehensive product range relies on a combination of local and foreign sourcing. Overseas manufacturers, mainly in China, supply the Group's core bathroom and kitchen sanitary ware products, while local suppliers complement product offering with parts, components, and related products.

In FYE 2026, 39.3% of our suppliers were local, with 60.7% foreign. In terms of procurement spend, 3.4% was attributable to local suppliers, while 96.6% was spent on foreign suppliers.

Proportion of Suppliers in FYE 2026



Sustainability Statement

Supply Continuity

Reliance on overseas vendors exposes the Group to risks such as shipment delays, geopolitical disruptions and other supply chain challenges. To manage these risks and maintain supply continuity, the Group has implemented several measures, such as:

- Supplier diversification - working with multiple suppliers across key product categories to reduce reliance on a single source;
- Alternative supplier arrangements - maintaining alternative sourcing options should a primary supplier experience disruption;
- Freight forwarder flexibility - engaging multiple freight forwarders to reduce dependency on any single logistics provider;
- Inventory buffers - maintaining stock buffers for house brand products to absorb short-term supply gaps; and
- Annual stock count - conducting a full physical stock count to maintain inventory accuracy and continuity planning.

The Group did not experience any material supply chain disruptions in FYE 2026.

PRODUCT RESPONSIBILITY AND CUSTOMER SATISFACTION

The safety and quality of Sorento Capital Group's products are important to maintaining customer trust and protecting the reputation of our brands, making product responsibility a key priority.

Sorento Capital Group's product responsibility extends across our portfolio of house brands, led by the Group's '**Sorento**' range, as well as third-party brands distributed across the bathroom and kitchen sanitary ware market.

House Brands		Third-Party Brands
		
		

In FYE 2026, the Group expanded its product portfolio with the introduction of '**Sorento Lite**', a new range targeting the replacement and maintenance market for plumbing fittings through hardware retail channels. The new range extends the Group's reach alongside our existing dealer network.

	
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The Group remains focused on delivering products that meet high standards of safety and quality, while maintaining compliance with applicable regulatory requirements.

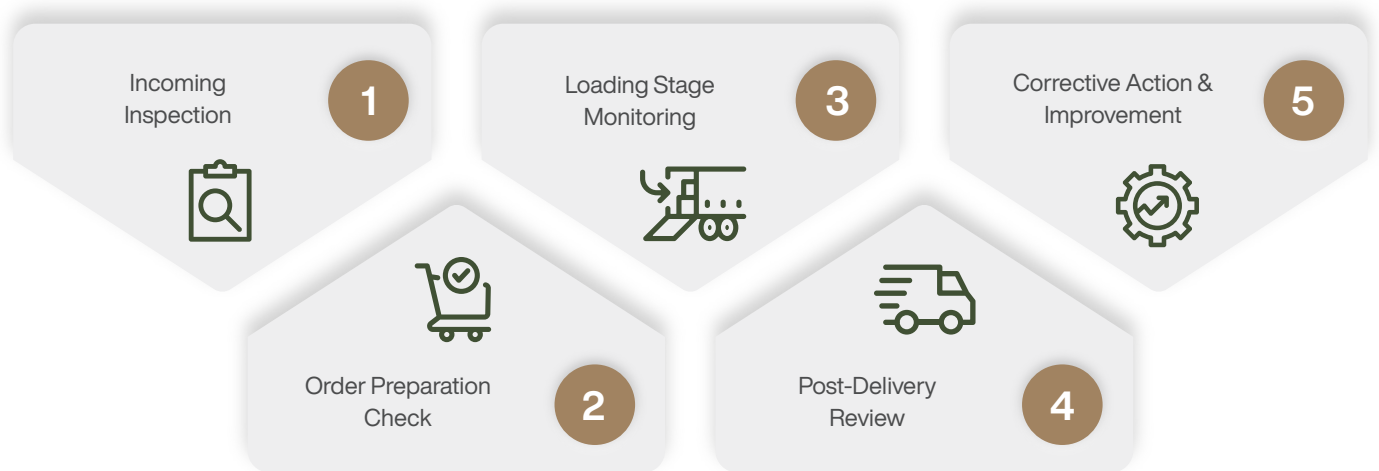
Sustainability Statement

Quality Control

Quality control ("QC") is embedded across the value chain, from incoming stock and storage through to distribution and after-sales support, governed by the Group's Quality Control SOP.

Incoming products undergo inspection against carton condition and compliance with product specifications before being accepted into the warehouse. Outgoing checks are conducted during both order preparation and loading to verify product accuracy and condition prior to delivery.

Product Quality Control Process



Quality checks continue beyond delivery. Where a customer complaint is received, the Group's QC team investigates the reported issue to determine whether it constitutes a genuine quality defect. Where a defect is confirmed, the affected item is replaced. If the investigation indicates a wider batch-level issue, the affected batch is recalled and blocked from further distribution pending further action with the supplier.

Customer Feedback Escalation Process



Sustainability Statement

The Group's Warranty Policy provides customers with assurance for selected product ranges, covering both end-consumers and business-to-business ("B2B") customers, subject to the applicable terms and conditions. For selected '**Sorento**' ceramic product categories, the warranty extends to a lifetime warranty, reflecting the Group's confidence in the durability of these products. For third-party brands, warranty claims are facilitated through dealers in coordination with brand principals. These warranty arrangements form an important part of the Group's after-sales support, providing customers with assurance against product defects and supporting continued confidence in the Group's product offerings.

In FYE 2026, the Group submitted 140 claims to suppliers in respect of defective or non-conforming items, amounting to approximately RM117,500 (FYE 2025: 41 claims; RM157,700). The increase in number of claims reflects strengthened quality monitoring and enhanced reporting of product non-conformities during the year. Despite the higher number of claims, total claim value declined, indicating that the reported cases were generally of lower severity and financial impact.

Meanwhile, there were zero (0) product recalls related to safety in FYE 2026.



Quality Assurance

Certifications and quality assurance measures provide customers, dealers, and project partners with confidence that the Group's products meet the required standards expected of them, while supporting the Group's regulatory compliance across the markets we operate.

The Group's ceramic bathroom sanitary ware continues to meet the applicable Malaysian Standards ("MS") under the Procedures for Importing Construction Products (Fifth Edition), pursuant to the requirements of the Construction Industry Development Board Act 1994 ("CIDB Act 1994"). This is supported by Certificates of Conformity issued by Watermarks Certification Malaysia, the Certificate of Conformity issued by Ikram QA Services Sdn. Bhd. ("IKRAM") and Supplier Listing Certificates issued by Suruhanjaya Perkhidmatan Air Negara ("SPAN"), where applicable.

To maintain these standards, the Group ensures all required certifications, including CIDB and SPAN approvals where applicable, are in place prior to importation and sale. Dedicated personnel are responsible for monitoring certification validity and renewal timelines to prevent lapses, while maintaining appropriate compliance records.

Green Features

A number of the Group's products also carry recognition for their environmental performance. Selected products under the '**Sorento**', '**Mocha**', and '**Cabana**' brands carry the Malaysian Green Technology and Climate Change Corporation ("MGTC")'s MyHIJAU mark, which recognises eligible products that meet applicable green certification or performance requirements.



A range of water closets and taps under the Group's house brands are also registered under SPAN's Water Efficient Product Labelling Scheme ("WEPLS"), which provides information on water consumption efficiency, a factor increasingly considered by developers pursuing green building certifications.

The Group continues to explore lower-carbon product options as part of our efforts to reduce emissions across the product lifecycle.



Sustainability Statement

Customer Experience

Seamless pre- and post-sales support throughout the customer journey plays an important role in building trust in our brands.

Customers need clear and accessible channels to contact the Group, whether to seek product information or raise concerns, which contributes to their overall experience with the brand. As at FYE 2026, the Group's products reached the market through a network of 699 dealers and 201 project customers nationwide, supported by physical touchpoints including dealer showrooms, as well as the Shop-in-Shop and Exclusive Store concepts. Our Sales team maintains relationships with key customers through scheduled visits, which provide insights that continue to inform improvements to our product offerings and service. The Group is exploring the implementation of formal customer satisfaction surveys to enhance its customer feedback and measurement processes. In the interim, the Group continues to rely on direct engagement to gather customer feedback.

In FYE 2026, the Group strengthened the long-term capabilities of our dealer network through a collaboration with MR Academy International Sdn. Bhd. ("MR"), to build retail capabilities within the hardware industry. Through this partnership, the Group's industry experience and distribution network are complemented by MR's expertise in retail training and business development, with the aim of equipping the Group's dealer and retail partners with stronger business capabilities over time.

End-consumers can also reach the Group through our digital channels. The official '**Sorento**' brand website at www.sorento.com.my offers product information, brand updates, as well as a channel for customer inquiries and feedback. The Group's products are also available on e-commerce platforms such as Shopee and Lazada. We also share product updates and brand news through social media channels including Instagram, Facebook, YouTube, and Xiao Hong Shu (RedNote), among others.



DATA PRIVACY AND SECURITY

The Group's operations rely on a range of digital systems and tools to support day-to-day business activities, making the protection of data and information systems an important part of business continuity. Cybersecurity threats such as ransomware, phishing, and unauthorised access are becoming increasingly prevalent globally, and could disrupt business operations if not properly managed.

Recognising these risks, we have put in place measures to safeguard the Group's data and maintain business continuity.

Personal Data Protection

The Group manages customer and employee data in accordance with the Personal Data Protection Act 2010 ("PDPA"). Customer data is obtained and processed based on consent, including where applicable for credit-related checks. Employee consent is obtained during onboarding, where employees are also required to acknowledge and comply with the Group's data protection and confidentiality requirements. Access to personal data is restricted to authorised personnel on a need-to-know basis, supported by access controls and secure data handling practices.



Sustainability Statement

Cybersecurity

The Group takes a proactive approach to protecting our information systems from unauthorised access and disruption. Information Technology ("IT") security controls, including anti-virus, firewall, and endpoint protection, are outsourced to a third-party service provider. Core business data is backed up daily to the cloud, with periodic penetration testing and disaster recovery testing are conducted to assess system resilience and recovery readiness.



Awareness of data protection and cybersecurity practices is reinforced through internal notices and alerts to employees, covering reminders on matters such as:

	Cautious when using email, internet services or digital platforms		Maintain strong password		Identify phishing emails
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In FYE 2026, there were zero (0) substantiated complaints concerning breaches of customer privacy and losses of customer data.



ZERO

Breaches of
Customer Privacy and
Losses of Customer
Data in FYE 2026

Sustainability Statement



ENVIRONMENTAL

As a provider of bathroom and kitchen sanitary ware solutions, Sorento Capital Group's direct environmental footprint is limited. Nevertheless, our operations still consume energy, water, and materials through our facilities, logistics, and warehousing activities.

As we expand our operations, including through new product lines and an expanded warehouse footprint, we remain mindful of the resources required to support this growth and the associated environmental impacts. The Group's Sustainability Policy guides this approach by promoting responsible use of resources, reducing consumption where practicable and preventing pollution across our operations.

In FYE 2026, our operations complied with the Environmental Quality Act 1974 and applicable requirements administered by the Department of Environment ("DOE"), with relevant standards issued by the SPAN taken into consideration where applicable.

The Group recorded zero (0) major environmental incidents, fines, or non-monetary sanctions related to non-compliance with environmental laws and regulations in FYE 2026.

CLIMATE CHANGE AND ENERGY MANAGEMENT

Energy use across the Group's facilities and delivery fleet contributes directly to our greenhouse gas ("GHG") emissions, while climate-related events such as flooding could disrupt our operations. Managing energy use and preparing for climate risk is therefore relevant to both our environmental footprint and business continuity.

The Group's energy consumption comes from two (2) main sources: electricity, which powers our facilities and equipment, and fuel, which is primarily consumed by lorries and vans for product delivery. Both sources contribute to GHG emissions, which are gases released into the atmosphere that contribute to climate change. Electricity consumption is accounted for under Scope 2 GHG emissions, while fuel consumption from vehicles owned or controlled by the Group is accounted for under Scope 1 GHG emissions.



Sustainability Statement

	FYE 2024	FYE 2025	FYE 2026
Electricity consumption (kWh)	409,408	446,356	441,451
Fuel consumption (litres)	175,251	212,284	217,111
- Petrol (litres)	57,010	94,624	95,067
- Diesel (litres)	118,241	117,660	122,044
Total GHG Emissions (tCO ₂ e)	765.0	881.4	875.3
- GHG Scope 1 Emissions ¹ (tCO ₂ e)	448.1	535.9	548.6
- GHG Scope 2 Emissions ² (tCO ₂ e)	316.9	345.5	326.7
Electricity intensity (kWh per RM million revenue)	2,701.6	2,491.3	2,400.7
GHG emissions intensity (tCO ₂ e per RM million revenue)	5.1	4.9	4.8

Notes: GHG emissions were calculated in accordance with the GHG Protocol.

¹ GHG Scope 1 emissions: FYE 2024 & FYE 2025 emissions were calculated using the Department for Environment, Food & Rural Affairs (UK) ("DEFRA") 2025 emission factors; FYE 2026 utilised DEFRA's 2026 factors.

² GHG Scope 2 emissions: FYE 2024 & FYE 2025 emissions were calculated using Malaysia Suruhanjaya Tenaga ("ST")'s 2022 Grid Emission Factor ("GEF"); FYE 2026 utilised ST's 2024 GEF.

The Group leverages the Centralised Sustainability Intelligence ("CSI") Solution by Bursa Securities to support the measurement, management and reporting of carbon emissions and sustainability risks, as well as to strengthen its preparedness for evolving sustainability disclosure requirements. The CSI Solution includes tools for calculating Scope 1 and Scope 2 GHG emissions and supports reporting aligned with the International Sustainability Standards Board ("ISSB") standards under Malaysia's National Sustainability Reporting Framework ("NSRF").

In FYE 2026, electricity consumption declined slightly to 441,451 kilowatt-hours ("kWh") from 446,356 kWh in FYE 2025. This contributed to a reduction in GHG Scope 2 emissions from 345.5 tCO₂e to 326.7 tCO₂e. Electricity intensity also improved from 2,491.3 kWh to 2,400.7 kWh per RM million revenue, reflecting lower electricity consumption alongside continued revenue growth.

Meanwhile, fuel consumption increased to 217,111 litres during the year, mainly due to increased business activity, including the expansion of the Group's sales team and higher levels of outstation travel and delivery activity. The increase in fuel consumption was also in line with the Group's higher revenue growth during the year. GHG Scope 1 emissions increased correspondingly from 535.9 tCO₂e to 548.6 tCO₂e.

Notwithstanding the increase in Scope 1 emissions, the Group's overall GHG emissions intensity improved from 4.9 tCO₂e to 4.8 tCO₂e per RM million revenue in FYE 2026. This indicates that revenue growth outpaced the increase in the Group's total GHG emissions. As the Group continues to grow, tracking this measure allows us to assess our environmental performance in the context of business growth and expansion, rather than in absolute terms alone.

Operational Energy Practices

Operational energy practices are incorporated into the Group's daily operations to support responsible energy consumption, including:

- Energy conservation - employees are encouraged to switch off electrical and electronic equipment, including lighting, air-conditioning, and warehouse equipment, when not in use.
- Vehicle maintenance - preventive maintenance schedules are maintained for company vehicles to support fuel efficiency and compliance with applicable emission standards.
- Energy monitoring - electricity and fuel consumption are monitored across the Group's warehouses and logistics fleet to identify trends and opportunities for improvement.

These measures represent the Group's ongoing efforts to manage energy consumption and improve energy intensity, while continuing to explore opportunities to strengthen the Group's energy management practices.

Sustainability Statement

Climate Resilience

Extreme weather and other disruptions are increasingly relevant considerations for businesses. Flooding and heavy rainfall remain the most relevant physical risks to the Group's operations, with the potential to damage stored goods or delay deliveries if not properly managed. Building resilience against these risks is therefore an important part of protecting the Group's operations and supporting customers.

Flooding is a seasonal risk across the Klang Valley, where the Group's warehouses are based. The Group's facilities in Bukit Raja and Meru, Klang, are situated on relatively higher ground within their respective areas, which help to reduce direct flood exposure to the buildings. To date, neither facility has experienced any significant flooding incidents.

As an additional precaution, stock is stored on elevated racks to reduce the risk of water damage. A smaller portion of carton-packaged goods placed directly on the ground remains more exposed to potential water damage and is closely monitored to minimise potential losses.

Notwithstanding these measures, surrounding roads and access routes may still be affected by flooding in the wider area, making delivery disruption a relevant risk. Where flooding or heavy rainfall affects delivery schedules, the Group proactively communicates with customers regarding the circumstances and works with logistics partners to identify alternative routes and adjust delivery schedules where practicable, helping to manage potential delays and maintain customer confidence.

During FYE 2026, the Group did not experience any significant disruption to our warehousing operations or delivery activities, and no material flooding incidents affected the business operations.

To strengthen its preparedness and response capabilities, the Group has established a Disaster Recovery Plan ("DRP") and Emergency Response Plan ("ERP").

The DRP sets out the Group's preparedness and response measures for four (4) disaster scenarios - flood, fire, power failure, and supplier disruption. Implementation is coordinated by a designated DRP Team. Complementing the DRP, the ERP focuses on protecting employees during emergencies and sets out evacuation and response procedures for relevant scenarios, supported by Emergency Response Teams ("ERTs") established at the Group's warehouses.

In FYE 2026, the Group conducted annual fire drills in coordination with the Fire and Rescue Department of Malaysia ("Bomba"). Both the DRP and ERP are reviewed at least once a year. Together, these plans support the Group's preparedness and ability to respond to and recover from operational disruptions.



Product Design and Lifecycle Impact

Beyond operational practices, the Group's focus on durability and water-efficient product design contributes to reducing environmental impacts across the product lifecycle. Further details are provided in the 'Product Responsibility and Customer Satisfaction' section of this Sustainability Statement.

WATER MANAGEMENT

Water is a shared public resource, and the Group recognises our responsibility to manage water consumption efficiently across operations. While the nature of the Group's business does not involve water-intensive processes, water remains an essential resource the Group relies on daily, and we aim to manage this valuable resource responsibly.

The Group's water supply is sourced entirely from municipal sources. Water is used across the Group's offices and warehouses for various purposes, including domestic consumption, cleaning, sanitation, landscaping, fire suppression systems, and general office use.

Given that the Group does not operate in a water-intensive industry and our facilities are not situated in water-stressed areas, our overall exposure to water scarcity risk is considered relatively low. Nonetheless, changing climate conditions, water tariffs and supply availability could affect the Group's operations and costs over time.

Against this backdrop, the Group monitors water consumption across our facilities to understand usage trends and identify opportunities for more efficient water management.

Sustainability Statement

	FYE 2024	FYE 2025	FYE 2026
Water consumption (m ³)	7,617	6,257	9,578
Water intensity (m ³ per RM million revenue)	50.3	34.9	52.1

In FYE 2026, water consumption increased to 9,578 m³ from 6,257 m³ in FYE 2025, mainly due to water leakage issues experienced during the year together with increased water usage associated with expanded business activities. Following repairs to the affected areas, the Group's water usage stabilised. Water intensity increased to 52.1 m³ per RM million revenue during the year, compared with 34.9 m³ per RM million revenue in FYE 2025.

To improve water efficiency, the Group has implemented several initiatives across our operations. Employees are encouraged to turn off water taps when not in use, promoting responsible water consumption in daily activities. The Group takes a proactive approach to maintenance by promptly repairing leaks and investigating abnormal water consumption patterns when identified, helping to minimise unnecessary wastage. In addition, water consumption is monitored monthly to track consumption trends and identify irregularities at an early stage.

WASTE MANAGEMENT

Waste is an inevitable by-product of business activities, and its effective management is important to reducing the Group's environmental footprint and maintaining regulatory compliance. If not properly managed, waste arising from packaging and warehousing activities may result in unnecessary cost and environmental impacts, while affecting the Group's broader sustainability objectives.

The Group's waste arises mainly from packaging materials, warehousing activities, and general product handling. All waste generated is non-scheduled in nature, with no scheduled or hazardous waste generated across the Group's operations.

	FYE 2024	FYE 2025	FYE 2026
Waste generated (tonnes)	66.3	59.3	74.0

Note: FYE 2024 and FYE 2025 waste volume reflects data for the Bukit Raja Facility only. Tracking of waste data at the Meru Facility commenced from December 2025.

In FYE 2026, total waste volume increased to 74.0 tonnes from 59.3 tonnes in FYE 2025, primarily attributable to expanded data coverage, following the inclusion of waste generated at the Meru Facility from December 2025.

The Group applies waste reduction and reuse practices where practicable, followed by appropriate segregation and disposal. Key practices include:

- Pallet reuse - wooden pallets are reused for warehouse storage, extending their useful life and reducing waste generation.
- Packaging material reuse - suitable packaging scraps are repurposed as fillers or protective cushioning within product cartons, reducing the need for additional packaging materials.
- Reduced paper use - the Group has reduced the printing of catalogues and brochures by making these materials available online, thereby reducing paper consumption.
- Employee awareness - employees are encouraged to adopt waste minimisation practices, including the efficient use of materials and proper disposal methods.

Waste is segregated according to defined categories including paper, plastic, e-waste, and general waste, to support proper handling and disposal. Waste that cannot be reduced or reused is placed in designated collection areas before being collected and transferred for disposal by third-party waste collectors appointed and approved by Majlis Bandaraya Diraja Klang, in accordance with applicable local waste management requirements.

Sustainability Statement



SOCIAL

LABOUR PRACTICES AND HUMAN RIGHTS

Labour practices and human rights are material to Sorento Capital Group as the Group's operations depend on a stable and engaged workforce across warehouse, operational and office functions. Upholding fair labour practices and respecting human rights help support employee well-being, workforce stability and the Group's reputation, while reducing exposure to related legal and operational risks.

These principles are guided by the Group's Employee Handbook ("the Handbook"), which is provided to all new employees during onboarding and sets out employment terms in line with applicable Malaysian labour laws and regulations, including matters relating to wages, working hours, and employee benefits. During FYE 2026, the Handbook was updated to provide greater clarity on leave entitlements, medical benefits, accommodation reimbursement, allowances, and resignation notice periods. The Group also introduced an exit interview questionnaire during the year to provide departing employees with a formal channel to share feedback on their employment experience.

The Group provides equal employment opportunities, with appointments, promotions, and rewards determined by merit and performance. The Handbook's non-discrimination provisions prohibit discrimination on the basis of race, religion, gender, age, or other prohibited grounds. Employment with the Group is based on free choice, with forced labour, child labour, and exploitative practices explicitly prohibited.

The Group also maintains a Sexual Harassment Policy to promote a respectful and safe workplace and does not tolerate unwanted conduct of a sexual nature.

The Group maintains channels for two-way communication between employees and management. Day-to-day engagement with supervisors, internal meetings, operational briefings, and annual performance appraisals provide employees with opportunities to raise matters relating to their roles and the workplace.

Where complaints or grievances arise, the Group has established a formal grievance procedure that enables employees to raise concerns in a confidential manner. Employees may submit complaints directly to the Human Resources & Administration Department, which reviews and investigates matters raised in accordance with the Group's established procedures. For matters requiring immediate attention, employees may also raise their concerns directly with their immediate supervisors or management.

Sorento Capital Group recorded zero (0) cases of non-compliance with applicable labour standards, laws, and regulations, and zero (0) substantiated complaints relating to human rights in FYE 2026.

DIVERSITY

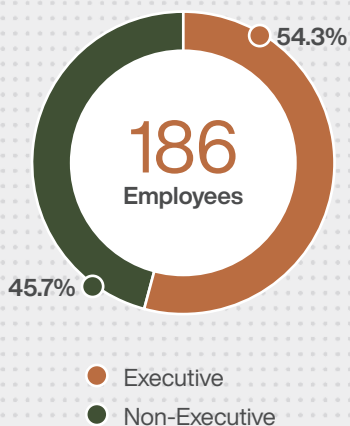
The Group aims to foster a diverse and inclusive workplace where employees are valued for their individual skills, experience, and perspectives, regardless of background. As of 30 June 2026, the Group employed a total of 186 employees. Women made up 39.2% of the workforce, while men accounted for 60.8%. As at end of FYE 2026, the Group's workforce comprised 89.2% Malaysians, while foreign employees accounted for 10.8% of total headcount.

During FYE 2026, the Group employed foreign workers primarily to support our warehouse and logistics operations. These employees support the handling and movement of inventories within the warehouse, including loading and unloading, picking, packing and preparing inventories for delivery, arranging and storing inventories, and other general warehouse-related activities. Their employment primarily supports the Group's operational manpower requirements, particularly for physically demanding and labour-intensive work associated with the handling and distribution of goods.

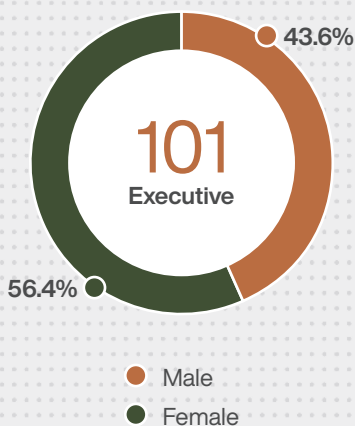
Sustainability Statement

The breakdown of the Group's workforce as at 30 June 2026 is as follows:

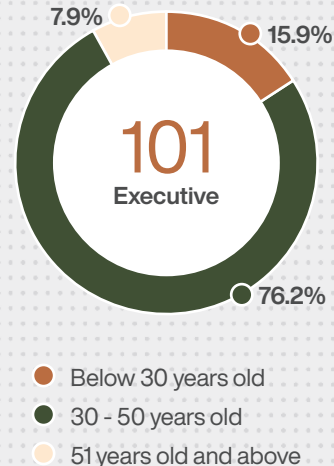
Employees
by Employee Category



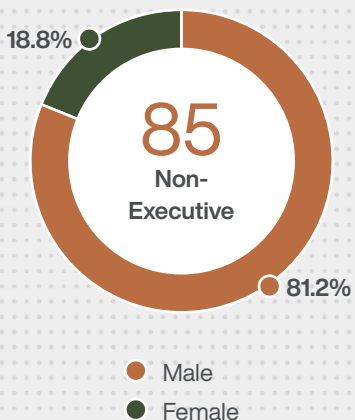
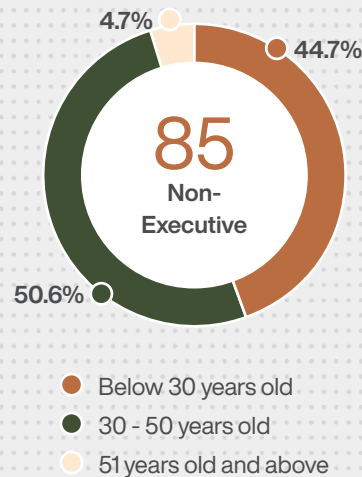
Gender
by Employee Category



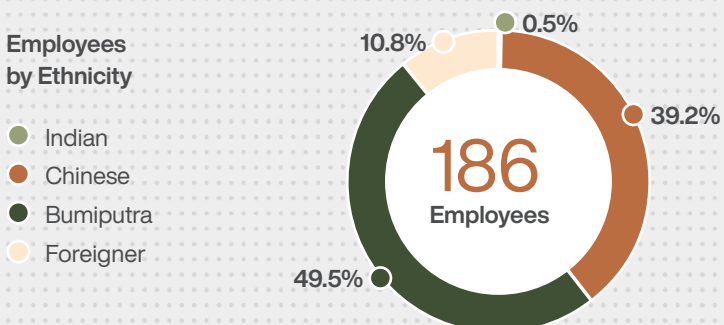
Age Group
by Employee Category



Employees
by Employment Type

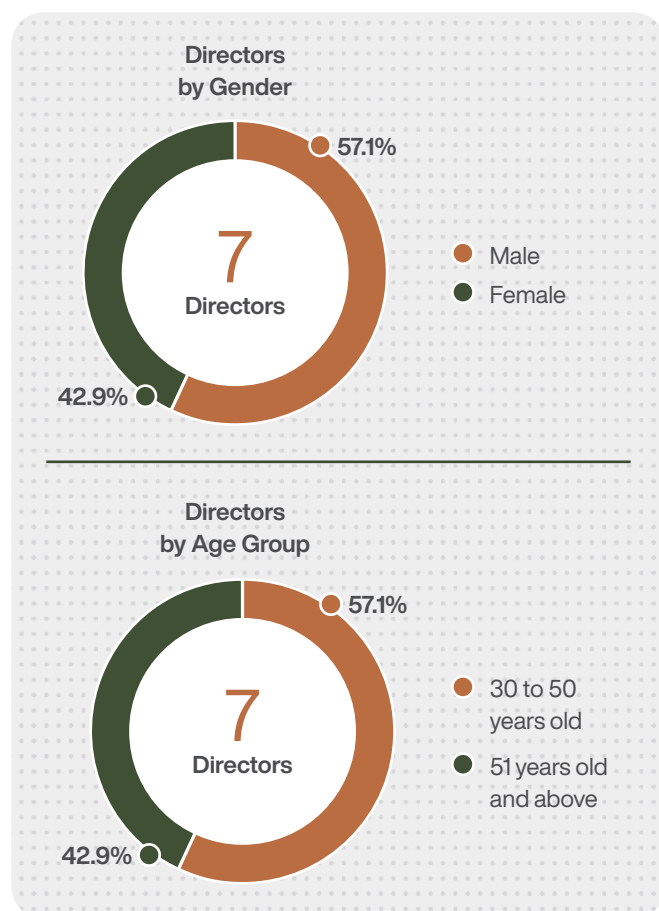


Employees
by Ethnicity



Sustainability Statement

Board diversity complements the Group's broader approach to fostering an inclusive organisation. As at 30 June 2026, the Board comprised seven (7) Directors, of whom 42.9% were women and 57.1% were men. In terms of age profile, 57.1% of the Directors were between 30 and 50 years old, while the remaining 42.9% were aged 51 years and above. This composition provides the Board with a blend of perspectives, experience and insights to support balanced deliberation and effective oversight of the Group's strategic direction.



TALENT MANAGEMENT

Talent management is material to Sorento Capital Group as the Group's ability to grow depends on attracting, developing, and retaining capable talent. Having the right people in place is important to maintaining operational continuity and supporting the Group's ability to execute our business plans. The Group's approach to talent management covers the employee lifecycle, from attracting and onboarding talent to providing training and development opportunities, supporting employee well-being and retaining employees over time.

Talent Attraction & Retention

The Group's recruitment efforts draw on multiple channels to reach a wider pool of candidates. The Group maintains a

dedicated careers page on our website at www.sorento.com.my, where available positions are advertised. In addition, the Group uses various recruitment platforms, such as Jobstreet, to increase visibility among prospective candidates.

Upon joining the Group, new employees are introduced to the Employee Handbook during onboarding and undergo a probationary period of three (3) to six (6) months, during which their performance and suitability for the role are assessed.

Compensation at Sorento Capital Group is structured with consideration given to industry practices and applicable labour legislation, including the Employment Act 1955 and the Minimum Wages Order 2022. Employee remuneration comprises statutory benefits, annual increments, performance-based bonuses, and other applicable allowances.

Annual performance appraisals provide employees with a formal opportunity to discuss their performance, development needs, and career progression with their supervisors.

Additionally, the Group promotes employee engagement through social activities and festive celebrations, providing employees with opportunities to connect and build relationships beyond their day-to-day work.



Sustainability Statement

Employees benefit

Leaves	Allowances	Others
<ul style="list-style-type: none"> Annual leave Marriage leave Maternity leave up to 98 days Paternity leave 	<ul style="list-style-type: none"> Overtime Meals Accommodation & Travelling 	<ul style="list-style-type: none"> Medical coverage Company-provided mobile phones (selected employees) Mileage Toll & Parking Company car (selected employees) Office attire (uniform) 

Talent Development

The Group's training programmes are aligned with functional and organisational priorities, covering technical skills development, regulatory compliance, and leadership capabilities. These programmes are designed to enhance employees' competencies, support their professional development, and prepare them for future responsibilities within the Group.

	FYE 2024	FYE 2025	FYE 2026
Number of training sessions held	11	19	20
Total training hours	313	845	904
- Executive	208	746	722
- Non-Executive	105	99	182

During FYE 2026, a total of 904 training hours were recorded across 20 training programmes attended by our employees. The training programmes attended during the year are as follows:

- BOSUM CEO Class: Talent Strategy - Driving Breakthroughs in Business Performance
- BOSUM CEO Class: Closing Champions - Build Your High Performance
- BOSUM CEO Class: Innovation in Product Development
- BOSUM CEO Class: Category Domination Strategy
- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- SAP 2.0 Onboarding & GHG Emissions Workshop
- CSI Solution Invitation: GHG Emissions Workshop
- Tax Seminar on Budget 2026 - Budget Highlights and Recent Tax Development
- New Media Marketing Strategies to Drive Sustainable Business Growth
- Strategic Team Leadership: The Sun Tzu's Way
- MIA Webinar Series: Strategic Tax Insights for C-Suite Executives: Stamp Duty, Transfer Pricing, E-Invoicing & SST
- Stamp Duty Self Assessment - Principles, Practice and Practical Case Studies
- Briefing Session on Revision of Levy-Based Training Grant Requirements (SME)
- Warehouse Management & Operation Excellence
- Pemantapan Obligasi Majikan dan Hak Pekerja*
- Forum Khas 2025: LHDN/KWSP/PERKESO/JTK*
- Kursus Kesedaran Awam (ERT)*
- Kursus Penyelarasan Keselamatan dan Kesihatan Pekerja*
- Taklimat E-Invoice LHDN Selangor*
- Taklimat Skim Kemalangan Bencana Kerja - LINDUNG 24 Jam*

Sustainability Statement

Employee Turnover

During FYE 2026, the Group recorded an improvement in employee retention, with employee turnover decreasing to 25 employees and the turnover rate reducing to 13.4% from 16.7% in the prior year. The Group continues to monitor turnover closely to support workforce stability.

	FYE 2024	FYE 2025	FYE 2026
Employee turnover	17	28	25
- Executive	5	16	13
- Non-Executive	12	12	12
Employee turnover rate	10.4%	16.7%	13.4%

OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health ("OSH") is a material matter for the Group, as the health, safety and well-being of our employees are essential to business continuity and long-term success. Meeting this responsibility requires clear policies, defined oversight and practical safeguards across the Group's operations.

Prevention starts with identifying hazards before they cause harm. The Group uses Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to systematically identify workplace hazards and manage the associated risks, with assessments reviewed periodically and when there are changes in workplace conditions. This approach is supported by the Group's broader Safety, Health and Environment ("SHE") Policy, in line with the Occupational Safety and Health Act 1994 ("OSHA 1994"). During FYE 2026, the SHE Policy was updated to enhance alignment with current workplace safety, employee health, and regulatory requirements.

The Group's Safety and Health Committee is responsible for putting this into practice. Its key roles and responsibilities include:

- Assisting the development of safety and health rules and safe systems of work;
- Reviewing the effectiveness of safety and health programmes;
- Conducting investigations into accidents, near misses, dangerous occurrences, occupational poisoning and occupational diseases;
- Reviewing the Group's SHE Policy;
- Monitoring compliance with applicable occupational safety and health laws and regulatory requirements;
- Promoting safety and health awareness among employees through communication and engagement activities; and
- Reviewing and monitoring corrective and preventive actions arising from incident investigations to prevent recurrence.

The Group also strives to embed safety into everyday practices with the aim of fostering a strong safety culture. Employees are encouraged to raise safety hazards or near-misses openly. During FYE 2026, the Group conducted ten (10) safety-related training sessions, covering:



Emergency
Response Team Training



Internal Fire Drill



Fire Drill and Fire Extinguishing
Demonstration in collaboration
with the Fire and Rescue
Department of Malaysia (BOMBA)



Monthly Safety Stand-Down sessions
for incident review

Sustainability Statement

These efforts are supported by protocols addressing the specific risks associated with warehousing, inventory handling, and delivery activities:

Protocol	Description
 Personal Protective Equipment ("PPE")	Employees are provided with appropriate PPE, including safety helmets, safety harnesses, weightlifting waist belts and safety shoes.
 Equipment Inspection	Forklifts, vans and lorries are subject to regular inspections to ensure they remain in safe and roadworthy condition.
 Warehouse Safety Practices	Proper warehouse safety practices are implemented, including safe stacking and storage of inventory on appropriate racking systems to prevent accidents and collapse risks.
 Authorised Personnel	Forklift operations and material handling activities are carried out only by trained and authorised personnel to reduce operational risks during inventory movement.
 Controlled Loading and Unloading	Loading and unloading activities are conducted under controlled procedures to minimise workplace injuries and product damage.
 Safety Awareness	Safety awareness and basic operational safety practices are regularly communicated to employees to reinforce safe working behaviour.
 Workplace Inspections	Periodic workplace inspections are conducted by the Safety and Health Committee ("SHEC") to identify and address potential hazards.
 Noise Exposure Assessment	A checklist is performed for the identification of excessive noise in accordance with the Industry Code of Practice ("ICOP") under the Department of Occupational Safety and Health ("DOSH").

Sustainability Statement

During FYE 2026, the Group recorded five (5) lost-time injuries (“LTIs”), resulting in an LTI frequency rate (“LTIFR”) of 9.3. The LTIs involved minor injuries including lacerations, punctures, fractures, and dislocations, with no high-consequence injuries reported. Following each incident, the Group implemented corrective actions tailored to the circumstances of each incident. This included strengthening the handling and storage practices for sharp materials, repairing facility lighting, and developing a new Safe Work Procedure for maintenance activities carried out at customer premises. During FYE 2026, the Group conducted ten (10) safety-related programmes and training sessions, with 117 employees trained on health and safety standards. The increase in number of employees trained was partly attributable to the inclusion of the Group’s in-house fire drill training, which involved all employees present at work at the time of the exercise.

There were zero (0) work-related fatalities involving employees or partners during the year.



5

Lost-Time Injury in
FYE 2026

ZERO

Fatalities in FYE 2026

	FYE 2024	FYE 2025	FYE 2026
Total safety-related programmes and training sessions	1	6	10
Total employees trained on health and safety standards	15	42	117
Total work-related fatalities	0	0	0
- Employees	0	0	0
- Partners	0	0	0
Number of LTI¹	0	1	5
- Employees	0	1	5
- Partners	0	0	0
LTIFR^{1 & 2}	0	2.1	9.3

Notes:

¹ LTI and LTIFR data were not tracked from October 2024 to January 2025 due to data unavailability during that period. Therefore, the FYE2025 figures may not be directly comparable with those of FYE2026.

² LTI frequency rate (“LTIFR”) refers to the number of work-related injuries in lost work time per one (1) million hours worked.

Community Engagement

Sorento Capital Group recognises that our success is closely connected to the well-being and development of the industries and communities we serve. Supporting these communities forms an integral part of the Group’s commitment to being a responsible corporate citizen and reflects the values that guide our business beyond commercial performance.

During FYE 2026, the Group contributed RM46,240 in support of community-focused initiatives. These contributions reflect the Group’s commitment to supporting the communities in which it operates and fostering positive relationships with our stakeholders.

Sustainability Statement

Community Engagement

CSR Activity

Description

Sponsorship for Fundraising Educational Carnival for SM Chung Hua (PSDN), Klang

Sponsorship for a fundraising educational carnival for Sekolah Menengah Chung Hua (PSDN), Klang.

Sponsorship for PAM SinggahKL 2026

Sponsorship for PAM SinggahKL 2026, a public architecture open-house event held in February 2026, organised by Pertubuhan Akitek Malaysia ("PAM") through its Promotion of Profession Committee, in collaboration with the Kuala Lumpur Architecture Festival ("KLAF") 2026, and supported by Tourism Malaysia. The event opens selected buildings in Kuala Lumpur to the public, promoting architectural awareness and appreciation.

Sponsorship for Mah Sing Foundation Charity Fundraising Dinner 2025

Sponsorship supporting the Mah Sing Foundation's charity fundraising dinner, with contributions channelled towards community welfare initiatives.

Eco World Foundation Fundraising 2025

Sponsorship supporting the Eco World Foundation's fundraising campaign, with contributions channelled towards education and community development programmes.

Sponsorship for Persatuan Yang Johor Bahru for 16th Anniversary Charity Dinner

Monetary contribution towards charitable fundraising activities supporting community welfare and social causes.

Sustainability Statement

Date & Time: 2026-10-27 16:23:28
Main Market | Group 3 | FYE 30/06/2026

SORENTO CAPITAL BERHAD BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Health & safety	Number of work-related fatalities	Number	—	0	0	No assurance
Health & safety	Lost time incident rate	Rate	—	9.3	—	No assurance
Health & safety	Number of employees trained on health and safety standards	Number	—	117	—	No assurance
Energy management	* Total electricity consumption	kWh	—	441,451	—	No assurance
Footnote Metric for Energy Management (Total Electricity Consumption)						
Anti-corruption	Percentage of employees trained in anti-corruption programme by employee category: Executive	Percentage	—	9.9%	—	No assurance
Anti-corruption	Percentage of employees trained in anti-corruption programme by employee category: Non-Executive	Percentage	—	40.0%	—	No assurance
Anti-corruption	Percentage of operations assessed for corruption-related risks	* Percentage	—	100.0%	—	No assurance
Footnote Measurement Unit for Anti-corruption (Percentage of operations assessed for corruption-related risks)						
Anti-corruption	Number of confirmed corruption incidents	Number	—	0	—	No assurance
Labour practices and standard	Total training hours by employee category: Executive	Hours	—	722	—	No assurance
Labour practices and standard	Total training hours by employee category: Non-Executive	Hours	—	182	—	No assurance
Labour practices and standard	Total number of employee turnover by employee category: Executive	Number	—	13	—	No assurance

Sustainability
Statement

Date & Time: 2026-10-27 16:23:28
Main Market | Group 3 | FYE 30/06/2026

SORENTO CAPITAL BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standard	Total number of employee turnover by employee category: Non-Executive	Number	—	12	—	No assurance
Labour practices and standard	Employee turnover rate	Percentage	—	13.4%	—	No assurance
Labour practices and standard	Number of substantiated complaints concerning human rights violations	Number	—	0	—	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	—	3.4%	—	No assurance
Supply chain management	Percentage of suppliers	Percentage	—	39.3%	—	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	0	—	No assurance
Waste management	Total waste generated	Metric tonne	—	74.0	—	No assurance
Waste management	Total waste diverted from disposal	Metric tonne	—	0	—	No assurance
Waste management	Total waste directed to disposal	Metric tonne	—	74.0	—	No assurance
Community / society	Total amount invested in the community where the target beneficiaries are external to the Company	* RM	—	46,240	—	No assurance
Footnote Measurement Unit Edited Measurement Unit for Community / society (Total amount invested in the community where the target beneficiaries are external to the Company)						
Community / society	Total number of beneficiaries of the investment in the communities	Number	—	5	—	No assurance
Footnote Sustainability Matter This row has been deleted.						

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Page 2 of 3

Sustainability
Statement

SORENTO CAPITAL BERHAD

BMLR Transition Period

Date & Time: 2026-10-2716:23:28

Main Market | Group 3 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Emissions management	Scope 1	tCO2e	—	548.6	—	No assurance
Emissions management	Scope 2	tCO2e	—	326.7	—	No assurance
Diversity and inclusion	Percentage of female employees	Percentage	—	* 39.2%	—	No assurance
Footnote 2026 Edited 2026 for Diversity and Inclusion (Percentage of female employees)						
Diversity and inclusion	Percentage of female directors	Percentage	—	42.9%	—	No assurance
Clean water and sanitation	Total volume of water used	Megalitres	—	9.6	—	No assurance

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Sorento Capital Berhad ("the Company") is committed to ensuring that good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' value consistent with the principles and recommendations for best practices set out in the Malaysian Code on Corporate Governance ("MCCG") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("Statement") is augmented with a Corporate Governance Report based on a prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements of Bursa Securities so as to provide a detailed articulation of the application of the Group's corporate governance practices with reference to the MCCG.

This Statement should also be read together with the Company's Corporate Governance Report for the financial year ended 30 June 2026 ("FYE 2026") which is available on the Company's website at www.sorentocapital.com, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

This Statement provides shareholders with an overview of the corporate governance practices of the Company for the FYE 2026.

This Statement makes reference to the following three (3) key principles of the MCCG:

- Principal A - Board leadership and effectiveness;
- Principal B - Effective audit and risk management; and
- Principal C - Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

The Board is responsible for the Group's overall performance and management of its business affairs, emphasising exemplary governance to ensure the Group's long-term success and deliver lasting value to stakeholders. This involves making strategic decisions, monitoring Management, and maintaining an ethical framework that delivers sustainable value to all stakeholders, including shareholders, employees, customers, and the community. Through these efforts, the Board aims to foster a resilient and prosperous organisation.

In discharging its fiduciary duties and responsibilities, the Board is guided by its Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board, as well as those that the Board may delegate to the Managing Director/ Executive Director(s) and the Management. To facilitate the effective functioning of the Board, the Board has established the following Board Committees to assist in the execution of its responsibilities:

- (a) Audit and Risk Management Committee ("ARMC");
- (b) Nomination Committee ("NC"); and
- (c) Remuneration Committee ("RC").

The Board Committees operate within their respective Terms of Reference ("TOR"). These Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their respective TOR and report to the Board on their proceedings and deliberations together with their recommendations to the Board for approval.

The Board Charter and TOR of the respective Committees are available on the Company's website at www.sorentocapital.com.

The Board is led by the Independent Non-Executive Chairman, Haji Ahmad Zakie bin Haji Ahmad Shariff, who is responsible for the orderly conduct of the Board and its effectiveness, in addition to facilitating constructive deliberation of matters at hand, while the Managing Director leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions. This is to ensure a balanced distribution of power and authority within the Company and to prevent any individual from having unilateral decision-making authority, thereby promoting accountability and effective governance.

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of practising certificates issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

Corporate Governance Overview Statement

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed. The deliberations and conclusions on matters discussed at Board or Board Committee meetings are duly recorded in the minutes of meetings and kept at the registered office of the Company. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately capture the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

The Company has formalised and adopted a Board Charter (which includes the Code of Ethics and Conduct), sets out the composition and balance, roles and responsibilities, and the operations and processes of the Board. Additionally, the Board Charter serves as a source of reference and primary induction literature, providing insights to new Board members. The Board Charter is published on the Company's website at www.sorentocapital.com.

The Board has also put in place the following policies, which will be reviewed from time to time to ensure that they remain relevant and appropriate:

- Whistleblowing Policy, which outlines communication and feedback channels to facilitate whistleblowing.
- Anti-Bribery and Corruption Policy, which is aligned with the Listing Requirements and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018. The policy generally sets out the responsibilities of the Company and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and anti-corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption-related risks.
- Directors' Fit and Proper Policy serves as a guide to the NC and the Board in their review and assessment of potential candidates for appointment to the Board, as well as retiring Directors seeking re-election at the annual general meeting ("AGM").

The Directors' Fit and Proper Policy ensures that the NC and the Board adhere to rigorous standards in their evaluation of candidates, enabling them to select Directors who possess the necessary qualifications, experience, and integrity to serve effectively on the Board.

- Gender Diversity Policy, which provides a framework for the Company to improve gender diversity at the Board and senior management level.

The Whistleblowing Policy, Anti-Bribery and Corruption Policy and Directors' Fit and Proper Policy are published on the Company's website at www.sorentocapital.com.

The Board emphasises the significance of sustainable business practices in creating long-term value, recognising that responsible business conduct is fundamental to achieving operational excellence.

Structural oversight of sustainability, including strategies, priorities, and targets, rests with the Board, while Management is entrusted with operational execution concerning environmental, social, and governance ("ESG") factors as integral components of the Group's corporate strategy.

As stewards of the Company's shareholders, the Board prioritises upholding exemplary corporate governance practices, marked by a dedication to ethics, integrity, and corporate responsibility. Additionally, the Board ensures that both internal and external stakeholders are well-informed about the Company's sustainability strategies, priorities, targets, and overall performance, as detailed in the Sustainability Statement within this Annual Report.

In addition, the Board has incorporated an assessment of its understanding of sustainability issues that are critical to the Company's performance into its annual performance evaluation.

Corporate Governance Overview Statement

PART II – COMPOSITION OF THE BOARD

The Board currently comprises seven (7) members, and the composition of the current Board is set out in the table below:

No.	Names	Designation
1.	Haji Ahmad Zakie bin Haji Ahmad Shariff	Independent Non-Executive Chairman
2.	Loo Chai Lai	Managing Director
3.	Loo Jing Kai	Executive Director
4.	Lee Chee Keong	Executive Director
5.	Christine Toh Hung Mei	Independent Non-Executive Director
6.	Yeat Soo Ching	Independent Non-Executive Director
7.	Teh Lay Sim	Independent Non-Executive Director

This Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors, or one-third (1/3) of the Board, whichever is higher, are Independent Directors, and that there is at least one (1) female Director.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition provides independent and objective judgement, as well as an effective check and balance to safeguard the interests of the minority shareholders and other stakeholders, and ensure that high standards of conduct and integrity are maintained.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of the Directors are provided in this Annual Report.

The Board acknowledges the recommendation under the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company. During the FYE 2026, none of the Directors had served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

Currently, the Board comprises three (3) female Directors, namely, Ms. Christine Toh Hung Mei, Ms. Yeat Soo Ching and Ms. Teh Lay Sim, who together account for 42.9% of the Board's composition. This commitment to gender diversity not only aligns with best practices but also enhances the Board's effectiveness by incorporating a wide range of perspectives and experiences into the decision-making process.

The NC holds the responsibility of identifying and recommending suitable candidates for Board membership as well as continuously evaluating the performance of Directors. However, the Board retains the ultimate responsibility and makes the final decision on the appointment of Directors. This process ensures that the composition of the Board aligns with the Company's long-term strategic objectives and requirements. Moreover, it involves establishing a skills matrix to support the Company's strategic direction and business needs.

Corporate Governance Overview Statement

The NC of the Company comprises the following members:

Name	Designation
Teh Lay Sim, Chairperson	Independent Non-Executive Director
Christine Toh Hung Mei, Member	Independent Non-Executive Director
Yeat Soo Ching, Member	Independent Non-Executive Director

The activities undertaken by the NC during the FYE 2026 were as follows:

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out an assessment and rating of each Director's performance against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.
- Undertook an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and recommended to the Board for consideration the re-election of the Directors who were due to retire at the AGM.

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Directors, with reference to the guides available and good corporate governance practices.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committee meetings, regular contribution to Board or Board Committee meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of the Managing Director and Executive Director(s), the assessment was carried out against various key performance indicators including, among others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

The Board meets at least once every quarter on a scheduled basis and additional meetings are convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities by attending at least 50% of the Board meetings held by the Company for the FYE 2026.

The attendance records of each Board member at the Board and Board Committee meetings held during the FYE 2026 are as follows:

Name of Directors	Board	ARMC	NC	RC
	No. of Meetings Attended			
Haji Ahmad Zakie bin Haji Ahmad Shariff	5/5	-	-	-
Loo Chai Lai	5/5	-	-	-
Loo Jing Kai	5/5	-	-	-
Lee Chee Keong	5/5	-	-	-
Christine Toh Hung Mei	5/5	4/4	1/1	2/2
Yeat Soo Ching	5/5	4/4	1/1	2/2
Teh Lay Sim	5/5	4/4	1/1	2/2

The Board acknowledges that continuous training is essential in keeping Directors abreast of changes in laws and regulations, the business environment and corporate governance developments, besides enhancing their professionalism and knowledge to enable them to discharge their duties more effectively.

Corporate Governance Overview Statement

During the FYE 2026, the Directors have attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:

Name of Directors	Training/Seminar attended
Haji Ahmad Zakie bin Haji Ahmad Shariff	<ul style="list-style-type: none"> Building AMLA Guardrails: Corporate Governance as Our Fourth Lines of Defence
Loo Chai Lai	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ("MAP Part II") BOSUM CEO Class – Talent Strategy-Driving Breakthrough in Business Performance BOSUM CEO Class – Closing Champions: Build Your High Performance BOSUM CEO Class: Innovation in Product Development BOSUM CEO Class: Category Domination Strategy New Media Marketing Strategies to Drive Sustainable Business Growth
Loo Jing Kai	<ul style="list-style-type: none"> MAP Part II BOSUM CEO Class – Talent Strategy-Driving Breakthrough in Business Performance BOSUM CEO Class – Closing Champions: Build Your High Performance BOSUM CEO Class: Innovation in Product Development BOSUM CEO Class: Category Domination Strategy New Media Marketing Strategies to Drive Sustainable Business Growth
Lee Chee Keong	<ul style="list-style-type: none"> MAP Part II BOSUM CEO Class – Talent Strategy-Driving Breakthrough in Business Performance BOSUM CEO Class – Closing Champions: Build Your High Performance BOSUM CEO Class: Innovation in Product Development BOSUM CEO Class: Category Domination Strategy New Media Marketing Strategies to Drive Sustainable Business Growth
Christine Toh Hung Mei	<ul style="list-style-type: none"> The Final Step: Keeping an Eye on Effective and Enforceable Awards The Art of Drafting Enforceable Adjudication Decisions Case Law Updates on Arbitration within and beyond Malaysia Managing Construction Projects: Strategies for Compliance, Control and Commercial Management Housing Development Late Delivery and Defect Law & Practice AIAC's Adjudicators CCD Workshop Series 2025 - Open Forum Discussion on CIPAA and Adjudication Voices in Arbitration: Let's Discuss! Expert Reports and Joint Statements: Getting it Right Year in Review: Case Law Developments in Adjudication ADNDRC Practice Development Workshop 2026 Enforceability of Adjudication Decisions: Drafting Strategies and Challenges
Yeat Soo Ching	<ul style="list-style-type: none"> Wealth Management in Labuan IBFC AOB Conversation with Audit Committee
Teh Lay Sim	<ul style="list-style-type: none"> MAP Part II Meet & Greet 03/2026 China at a Turning Point: What Boards need to know

The Board would continuously evaluate and assess the training needs of each Director to keep them abreast of the state of the economy, technological advances, regulatory updates, management strategies and developments in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities effectively.

Corporate Governance Overview Statement

PART III – REMUNERATION

The Board has established a Remuneration Policy to attract and retain Directors and Key Senior Management of the Company and is available on the Company's website at www.sorentocapital.com.

The RC assists the Board in determining the remuneration of Executive Directors and Non-Executive Directors. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration. The aggregate amount of Directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at the AGM.

The RC of the Company comprises the following members:

Name	Designation
Yeat Soo Ching, Chairperson	Independent Non-Executive Director
Christine Toh Hung Mei, Member	Independent Non-Executive Director
Teh Lay Sim, Member	Independent Non-Executive Director

The remuneration payable to each of the individual Directors of the Company and of the Group for the FYE 2026 is as follows:

(A) The Company

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Haji Ahmad Zakie bin Haji Ahmad Shariff	96	4	-	-	-	-	100
Loo Chai Lai	-	-	1,908	393.56	26.73	93.46	2,421.75
Loo Jing Kai	-	-	456	196.78	-	80.23	733.01
Lee Chee Keong	-	-	456	196.78	16.60	80.23	749.61
Christine Toh Hung Mei	48	4	-	-	-	-	52
Yeat Soo Ching	48	4	-	-	-	-	52
Teh Lay Sim	48	4	-	-	-	-	52
Total	240	16	2,820	787.12	43.33	253.92	4,160.37

(B) The Group

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Haji Ahmad Zakie bin Haji Ahmad Shariff	96	4	-	-	-	-	100
Loo Chai Lai	-	-	1,908	393.56	26.73	93.46	2,421.75
Loo Jing Kai	-	-	456	196.78	-	80.23	733.01
Lee Chee Keong	-	-	456	196.78	16.60	80.23	749.61
Christine Toh Hung Mei	48	4	-	-	-	-	52
Yeat Soo Ching	48	4	-	-	-	-	52
Teh Lay Sim	48	4	-	-	-	-	52
Total	240	16	2,820	787.12	43.33	253.92	4,160.37

Corporate Governance Overview Statement

The remuneration of the Key Senior Management of the Group for the FYE 2026 is as follows:

Range of Remuneration*	No. of Key Senior Management
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1
RM350,001 to RM400,000	1
RM550,001 to RM600,000	1

* Successive bands of (i) RM400,001 to RM450,000; (ii) RM450,001 to RM500,000; and (iii) RM500,001 to RM550,000 are not shown entirely as they are not represented.

Due to the confidentiality and sensitivity of the remuneration packages of Key Senior Management, as well as security concerns, the Board opts not to disclose the Key Senior Management's remuneration components on a named basis in the band of RM50,000.

The Board is of the view that disclosure of the remuneration components of Key Senior Management would not be in the best interests of the Company, given the competitive talent market, as such disclosure may adversely affect the Group's ability to retain and attract key personnel. The Board is of the opinion that disclosure of the aggregate remuneration of Key Senior Management on an unnamed basis, in bands of RM50,000, is adequate.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

The primary objective of the ARMC is to assist the Board in fulfilling its responsibilities related to financial accounting and reporting. It also advises the Board on matters such as financial reporting, external audits, internal controls, the internal audit process, related party transactions, and conflict of interest situations. In addition, the ARMC provides oversight of the Group's risk management framework.

The ARMC is chaired by Ms. Christine Toh Hung Mei, who is an Independent Non-Executive Director, whereas the Board is chaired by Tuan Haji Ahmad Zakie Bin Haji Ahmad Shariff. The majority of the members of the ARMC are financially literate, whilst the Chairperson of the ARMC is a member of the Malaysian Institute of Accountants.

The ARMC comprises three (3) members. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of the MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Non-Executive Directors has appointed an alternate director.

None of the members of the ARMC was a former partner of the external audit firm of the Company and to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The term of office and performance of the ARMC and its members are reviewed by the NC annually to determine whether the ARMC and its members have carried out their duties in accordance with the ARMC TOR.

The ARMC members possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC, and they are able to understand matters under the purview of the ARMC, including the financial reporting process.

The Group maintains a transparent and effective relationship with the External Auditors, granting them direct communication authority. This enables the External Auditors to bring to the attention of the ARMC any matters requiring the Board's attention regarding compliance with accounting standards and related regulatory requirements.

The Board has established an Assessment Policy for the External Auditors, along with annual performance evaluation forms. This policy outlines the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the External Auditors.

Corporate Governance Overview Statement

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is entrusted with the overall responsibility of continually maintaining a sound system of risk management and internal controls, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard stakeholders' interests and the Group's assets. The internal control system is designed to assess current and emerging risks and respond appropriately to the risks encountered.

The Company also engages Internal Auditors to provide independent assessments of the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

The internal audit function is outsourced to GovernanceAdvisory.com Sdn. Bhd. ("GA" or "Internal Auditors"), an independent professional consulting firm, which reports directly to the ARMC. GA's representatives maintain objectivity and independence in their role as internal auditors, ensuring they are free from any relationships or conflicts of interest that could compromise their impartiality.

The Board has established the Internal Auditors Assessment Policy together with the annual performance evaluation form, outlining the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The internal audit functions and activities carried out during the FYE 2026 are as disclosed in the ARMC Report in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of the timely, accurate and equitable dissemination of information on significant developments within the Group to shareholders, potential investors, and the public. Accordingly, the Company has adopted a Corporate Disclosure Policy.

To ensure timely and effective communication, information on the Group's performance and key developments is shared through the following channels:

- (i) Annual Reports and relevant circulars published on the Company's and Bursa Securities' websites;
- (ii) AGM and/or extraordinary general meetings;
- (iii) Disclosures and announcements, including quarterly financial results; and
- (iv) Press releases (if any).

The Company's website at www.sorentocapital.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Company's AGM remains a principal forum for communication and engagement with shareholders. At the AGM, shareholders are given sufficient time and opportunity to raise questions on the proposed resolutions, as well as matters relating to the Group's performance, developments and future direction. The Board will also ensure that each item of special business included in the notice of general meeting is accompanied by an explanation of the proposed resolution and its effects, to facilitate shareholders' understanding and evaluation.

Corporate Governance Overview Statement

PART II – CONDUCT OF GENERAL MEETING

The Board ensures that the notice of the AGM is sent to shareholders at least twenty-eight (28) days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of MCCG, the notice convening the 2nd AGM of the Company held on 9 December 2025 was issued to shareholders at least 28 days before the date of the meeting. This provided shareholders with sufficient time to prepare themselves to attend the 2nd AGM or to appoint a proxy to attend and vote on their behalf.

All resolutions tabled at the 2nd AGM were voted on by poll, and the results were announced to Bursa Securities at the end of the meeting day.

All Directors and Senior Management attended the 2nd AGM and were available to respond to shareholders' queries concerning the Company and the Group.

From the Company's perspective, the AGM also provided an opportunity for the Directors to engage directly with shareholders, understand their concerns and obtain feedback. The Chairman encouraged questions and input from shareholders during the meeting and ensured that all queries were addressed clearly and systematically.

The summary of key matters discussed at the 2nd AGM was published on the Company's website at www.sorentocapital.com for the shareholders' information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT

The Board has deliberated, reviewed and approved this statement. The Board considers and is satisfied that, to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities relating to corporate governance and all applicable laws and regulations throughout the FYE 2026.

The Board recognises that there are always opportunities for improvement in its corporate governance activities to enable the Group to continue to promote trust and confidence among stakeholders.

Audit and Risk Management Committee Report

The principal objective of the Audit and Risk Management Committee ("ARMC" or "the Committee") is to assist the Board of Directors ("the Board") in fulfilling its statutory obligations effectively. By conducting impartial and independent assessments, the Committee provides additional assurance to the Board concerning the effectiveness of financial, operational, and administrative controls and procedures, thereby enhancing governance and risk management practices within the Company and its subsidiaries ("Sorento Capital Group" or "the Group").

1. COMPOSITION OF ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors of the Company:

Names	Designation
Christine Toh Hung Mei, Chairperson	Independent Non-Executive Director
Yeat Soo Ching, Member	Independent Non-Executive Director
Teh Lay Sim, Member	Independent Non-Executive Director

The composition of the ARMC complies with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practices 9.1 and 9.4 of the Malaysian Code of Corporate Governance.

The Chairperson of ARMC, Ms. Christine Toh Hung Mei, is a Fellow of the Chartered Institute of Arbitrators and a Chartered Accountant of the Malaysian Institute of Accountants. In this respect, the composition of the ARMC complies with Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Securities.

The authorities and duties of the ARMC are governed by the Terms of Reference ("TOR") of the ARMC. The TOR of the ARMC can be accessed from the Company's website at www.sorentocapital.com.

2. MEETINGS AND ATTENDANCES

During the financial year ended 30 June 2026 ("FYE 2026"), the ARMC held a total of four (4) meetings. The details of attendance of each member are as follows:

ARMC Members	Attendance
Christine Toh Hung Mei, Chairperson	4/4
Yeat Soo Ching, Member	4/4
Teh Lay Sim, Member	4/4

The presence of the External Auditors and/or the Internal Auditors at the ARMC meetings, if required, can be requested by the ARMC. Other members of the Board and the Management of the Group may attend the Meeting (specific to the relevant meeting and to the matters being discussed) upon invitation of the ARMC.

Audit and Risk Management Committee Report

3. SUMMARY OF WORKS OF THE ARMC FOR THE FYE 2026

The summary of the activities undertaken by the ARMC during FYE 2026, among others, included the following:

- (i) Reviewed the unaudited condensed quarterly financial results of the Group, including the announcements pertaining thereto. The discussion focused particularly on any changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making the announcement to Bursa Securities.
- (ii) Reviewed with the Internal Auditors the reports for the internal audit function and considered the findings of internal audit reviews and Management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors.
- (iii) Reviewed the related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were on an arm's length basis and on normal commercial terms.
- (iv) Reviewed and received the Audit Planning Memorandum from External Auditors in respect of the financial statements of the Group for the FYE 2026.
- (v) Reviewed the Audit Review Memorandum from the External Auditors upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the ARMC.
- (vi) Reviewed and recommended to the Board for approval on the ARMC Report, Statement on Risk Management and Internal Control, Additional Compliance Information, Corporate Governance Overview Statement and Sustainability Statement before recommending to the Board for approval for inclusion in the Company's Annual Report.
- (vii) Reviewed the Corporate Governance Report before recommending it to the Board for approval.
- (viii) Considered and recommended the re-appointment of TGS TW PLT as the External Auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the External Auditors during their audit.
- (ix) Evaluated the performance of External Auditors and Internal Auditors of the Company.
- (x) Self-appraised the performance of the ARMC and submitted the evaluation form to the Nomination Committee for assessment.
- (xi) Reviewed the conflict of interest questionnaires submitted by the Directors and Key Senior Management of the Group. Based on this review, no significant conflict of interest was identified that would necessitate further examination and implementation of specific mitigation measures.

Audit and Risk Management Committee Report

4. INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent internal audit consulting firm, to assist the ARMC in assessing the adequacy and effectiveness of the risk management and internal control systems of the Group. GA reports directly to the ARMC, and the representatives of GA are free from any relationship or conflict of interest that could impair their objectivity and independence as internal auditors.

During the FYE 2026, the ARMC reviewed the following internal audit reports:

Audit period	Reporting month	Name of entity audited	Audited areas
December 2025 - February 2026	May 2026	Sorento Capital Group	Sales Management
March – May 2026	August 2026	Sorento Capital Group	Human Resource Review

The final audit reports, including findings, recommendations, and Management's responses, were tabled to the ARMC members. Areas requiring improvement were highlighted to Management for follow-up. The ARMC reviewed and discussed all internal audit reports and ensured that appropriate actions were taken.

The cost incurred on the outsourced internal audit functions for FYE 2026 by the Group amounted to RM30,000.

5. RELATIONSHIP WITH AUDITORS

The Group has established a transparent and appropriate relationship with both the External and Internal Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party, providing direct and regular reports to the ARMC. Both the External and Internal Auditors have direct reporting and access to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The Board, through the ARMC shall maintain appropriate, formal and transparent relationships with the External and Internal Auditors. The ARMC will meet the External and Internal Auditors without the presence of Management, whenever necessary, which demonstrates their independence, objectivity and professionalism.

6. EVALUATION OF THE PERFORMANCE OF THE AUDITORS

The ARMC and the Board had established the Assessment Policy for both the External and Internal Auditors together with their annual performance evaluation forms respectively. The policy outlines the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External and Internal Auditors.

The External and Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role.

The ARMC shall obtain assurance from the External and Internal Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC shall carry out an annual performance assessment of the External and Internal Auditors and may request the Executive Directors and Chief Financial Officer to join the assessment.

The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External and Internal Auditors of the Company.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (“the Board”) to maintain a sound risk management framework and internal control system to safeguard shareholders’ investments and the assets of Sorento Capital Berhad (“Sorento Capital” or “the Company”).

Accordingly, the Board is pleased to present its Statement on Risk Management and Internal Control (“Statement”) of the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2026 (“FYE 2026”), which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers by Bursa Malaysia Berhad (“the Guidelines”).

BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining a sound framework of risk management and internal control system which is fundamental for good corporate governance. The Board is committed to ensuring the risk management and internal control framework is embedded into the culture, processes and structures of the Company.

The system of risk management and internal control covers not only financial controls but also operational, risk management and compliance with respect to all relevant regulations. In view of the limitations inherent in any system of risk management and internal control, the systems are designed to manage and control, rather than eliminate the risk of failure to achieve the Group’s objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement, fraud or loss or the occurrence of unforeseeable circumstances.

The Audit and Risk Management Committee (“ARMC”) assists the Board in reviewing the adequacy and effectiveness of the risk management and internal control systems. The process is reviewed by the Board and the ARMC periodically or as and when required.

MANAGEMENT’S RESPONSIBILITIES

Management assists the Board in implementing the Group’s risk management and internal control framework by identifying, evaluating, monitoring, reporting and responding to risks in a timely manner. The Management’s key responsibilities include:

- Identifying and assessing risks that may impact the achievement of the Group’s strategic objectives and business plans;
- Establishing and maintaining appropriate policies, procedures and controls in line with the Group’s risk appetite;
- Designing, implementing and monitoring the effectiveness of the risk management and internal control system;
- Ensuring compliance with policies approved by the Board;
- Implementing corrective actions to address identified control deficiencies and compliance gaps; and
- Keeping the Board informed of significant risk developments, emerging threats and mitigation measures undertaken.

Management also provides assurance to the Board that the Group’s risk management and internal control systems are operating adequately and effectively in all material respects.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognises that effective risk management and internal control are essential to safeguarding shareholders’ interests, supporting sustainable business growth and enhancing long-term value creation.

The Group has established a risk management and internal control framework to provide a structured and consistent approach for identifying, assessing, managing, monitoring and reporting risks across the organisation. The framework defines the respective roles and responsibilities of the Board, ARMC, Management and employees in fostering a risk-aware culture and maintaining effective internal controls.

The Board retains overall responsibility for overseeing the Group’s risk management framework, while the ARMC assists the Board in reviewing the adequacy and effectiveness of the framework. Management is responsible for implementing the framework and ensuring risks are managed within the approved risk appetite.

Statement on Risk Management and Internal Control

Key risks, including strategic, operational, financial, compliance, technology, and sustainability-related risks, are identified through periodic risk assessments and documented in Group's risk registers.

Risk assessments are conducted periodically to evaluate the adequacy of existing controls and identify emerging risks arising from changes in the business environment, regulatory landscape and market conditions.

The adequacy and effectiveness of the Group's internal control system are assessed through, among others, the following activities:

- Periodic review of the Group and business unit risk registers to monitor risk exposures and emerging risk trends;
- Review of the internal audit plan to ensure alignment with the Group's risk profile and strategic priorities; and
- Execution of risk-based internal audit reviews to identify control weaknesses and recommend improvement measures.

KEY RISKS IDENTIFIED DURING FYE 2026

The key risks identified in FYE 2026 in accordance to its potential impact to the Group include but not limited to the following:

▪ **Strategic Risk**

The consumer products and services sector are highly competitive and influenced by customer capital expenditure trends and supply chain dynamics. Changes in market demand, product preferences or intensified competition may adversely affect the Group's growth prospects, market position and profitability.

The Group continuously monitors product offerings and customer requirements, maintains close relationships with key principals and suppliers, and regularly reviews its strategic plans to enhance business resilience and long-term growth.

▪ **Operational Risk**

The Group's operations depend on the timely delivery of sanitary ware and kitchen ware. Disruptions arising from geopolitical developments, trade restrictions, supply chain constraints or logistics delays may affect operational performance and customer satisfaction. The Group is also exposed to inventory management risk, including the risk of excess stockholding and slow-moving inventory, which may impact working capital efficiency.

The Group mitigates operational risks through close coordination with suppliers and principals, regular monitoring of procurement planning and inventory levels, and continuous exploration and diversification of the sourcing base where commercially feasible.

▪ **Financial Risk**

The Group is exposed to financial risks arising from foreign currency fluctuations, credit risk, liquidity risk and changes in economic conditions. As a significant portion of purchases may be denominated in foreign currencies, adverse exchange rate movements could affect profitability and cash flow.

The Group manages its financial risks through ongoing monitoring of foreign exchange exposures and cash flow positions, prudent working capital management, regular credit assessments of customers, and periodic reviews of its financing requirements and funding arrangements.

▪ **Compliance Risk**

The Group operates in a regulated environment and is required to comply with various laws, regulations and industry standards relating to corporate governance, taxation, occupational safety and health, environmental requirements, import controls, and listing obligations. Failure to comply may result in financial penalties, reputational damage or operational disruptions.

The Group maintains compliance by monitoring regulatory developments, establishing appropriate policies and procedures, conducting periodic compliance reviews and internal audits, and providing relevant training and awareness programmes to employees.

Statement on Risk Management and Internal Control

▪ Technology Risk

The Group increasingly relies on information technology systems to support business operations, financial reporting and customer service delivery. Cybersecurity threats, system failures, unauthorised access, data breaches or prolonged system downtime may disrupt operations and compromise sensitive information.

The Group addresses technology risks through the implementation of access controls and cybersecurity measures, regular system maintenance and monitoring, periodic data backup and recovery processes, employee cybersecurity awareness programmes, and ongoing review of business continuity arrangements.

▪ Sustainability Risk

Environmental, social and governance ("ESG") considerations continue to gain importance among investors, customers, regulators and other stakeholders. Failure to effectively manage sustainability-related matters, including environmental impacts, employee well-being, workplace safety, supply chain sustainability and governance practices, may adversely affect the Group's reputation, operational resilience and long-term value creation.

The Group incorporates sustainability considerations into its business operations and decision-making processes by promoting responsible business practices, monitoring workplace safety and employee welfare, engaging with stakeholders on sustainability matters, and enhancing sustainability-related disclosures and performance monitoring.

INTERNAL CONTROL SYSTEM

The Board is supported by an established internal control framework designed to enhance operational efficiency, ensure reliability of financial reporting and promote compliance with applicable laws, regulations and internal policies.

Key elements of the Group's internal control system include:

- A clearly defined organisational structure with established lines of responsibility, authority and accountability to facilitate effective decision-making and segregation of duties;
- Quarterly ARMC and Board meetings are held to review financial performance, while significant operational matters, risk exposures and internal audit findings are reviewed on a periodic basis, as well as to monitor the implementation of agreed corrective actions;
- Regular review of findings from internal and external auditors, including discussions with Management to ensure timely remediation of identified control weaknesses;
- Documented policies, procedures and standard operating practices governing key business processes, which are reviewed periodically to remain relevant and effective; and
- Anti-Bribery and Corruption Policy and Whistleblowing Policy were adopted to promote ethical conduct, integrity and accountability throughout the Group.

Internal Audit Function

The internal audit function reports directly to the ARMC and provides independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes.

The Board has outsourced the internal audit function to GovernanceAdvisory.com Sdn. Bhd., an independent professional consulting firm, which reports directly to the ARMC. The outsourced internal auditors adopt a risk-based approach in evaluating the effectiveness of the Group's governance, risk management and internal control systems and in recommending opportunities for continuous improvement.

The outsourced internal audit function is independent of the activities it audits and is free from any relationships or conflicts of interest that could impair its objectivity. It possesses the necessary experience, expertise and resources to discharge its responsibilities effectively and is granted unrestricted access to relevant personnel, records and information.

The annual risk-based internal audit plan is reviewed and approved by the ARMC prior to implementation. Audit findings, together with recommendations for improvement, are communicated to Management and reported to the ARMC. Follow-up reviews are conducted to monitor the implementation and effectiveness of corrective actions taken to address identified control deficiencies.

During FYE 2026, the Group incurred RM30,000 in professional fees for internal audit services.

Statement on Risk Management and Internal Control

BOARD ASSURANCE AND LIMITATION

The Board has received assurances from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects during FYE 2026. There are no significant areas of concern that may affect the financial, operational and compliance controls.

Based on the reviews conducted and assurances received from management, the Board is satisfied that the Group's risk management and internal control systems were adequate and effective in safeguarding shareholders' investments and the Group's assets during FYE 2026 and up to the date of approval of this Statement.

Nonetheless, the Board acknowledges that the risk management and internal control systems should be continuously improved. However, stakeholders should note that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement. The review of the Statement by the external auditors is guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraph 7 of the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Companies, nor is the Statement factually inaccurate.

AAPG3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system including the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board is of the view that the Group's risk management framework and internal control system are adequate to safeguard shareholders' investments and the Group's assets. Nevertheless, the Board remains committed to continuously enhancing the Group's risk management and internal control framework to address evolving business risks and regulatory expectations.

This Statement is made in accordance with the resolution of the Board of Directors dated 27 October 2026.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")

In conjunction with and as an integral part of the listing of Sorento Capital Berhad ("Sorento Capital" or "the Company") on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 28 October 2024 ("Listing"), the Company undertook a public issue of 155,000,000 new ordinary shares at an issue price of RM0.37 per ordinary share, raising a total gross proceeds of approximately RM57.35 million ("IPO Proceeds").

The status of the utilisation of the IPO Proceeds as at 30 September 2026 was as follows:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation (from the Listing)
Branding and promotional marketing	6,000	4,566	1,434	Within 36 months
Expansion of dealer network and enhancement of distribution reach	6,000	4,391	1,609	Within 36 months
Repayment of bank borrowings	9,000	9,000	-	Within 12 months
Working capital for purchase of inventories	31,350	31,350	-	Within 24 months
Listing expenses	5,000	5,000	-	Within 1 month
Total	57,350	54,307	3,043	

2. AUDIT AND NON-AUDIT FEES

The amounts of audit and non-audit fees paid and payable to the External Auditors, TGS TW PLT for services rendered by them to the Company and its subsidiaries (collectively known as "Sorento Capital Group" or "the Group") for the financial year ended 30 June 2026 are as follows:

Details of fees	Company RM'000	Group RM'000
Audit Fee	38	168
Non-Audit Fee	5	5

3. MATERIAL CONTRACTS INVOLVING INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholders either still subsisting at the end of the financial year ended 30 June 2026 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

The Group did not seek any mandate on RRPT from its shareholders. The RRPT of revenue and trading in nature incurred by the Group for the financial year under review did not exceed the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements of Bursa Securities.

5. TRANSFER TO MAIN MARKET

The listing of and quotation for the entire issued share capital of Sorento Capital have been transferred from the ACE Market to the Main Market of Bursa Securities with effect from 9.00 a.m. on Friday, 28 August 2026.

Statement of Directors' Responsibility

The Board of Directors ("the Board") is responsible for the preparation of the financial statements which have been made out in accordance with applicable laws and regulations and approved accounting standards to give a true and fair view of the financial position together with the financial performance and cash flows of the Company and its subsidiaries ("the Group") for each financial year.

In preparing the financial statements of the Company and the Group for the financial year ended 30 June 2026 as set out in this Annual Report, the Board considers that the Company and the Group have:

- Adopted appropriate accounting policies in accordance with the applicable approved accounting standards.
- Consistently applied and supported by reasonable and prudent judgements and estimates.
- Prepared the financial statements on a going concern basis.

The Board is responsible for ensuring that the Company and the Group maintain accounting records that disclose the financial position of the Company and the Group with reasonable accuracy, which enable them to ensure that the financial statements are prepared in compliance with the Companies Act 2016.

The Board is also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

AUDITED FINANCIAL STATEMENTS

82	Directors' Report
86	Statement by Directors
86	Statutory Declaration
87	Independent Auditors' Report to the Members
90	Statements of Financial Position
91	Statements of Profit or Loss and Other Comprehensive Income
92	Statements of Changes In Equity
94	Statements of Cash Flows
98	Notes to the Financial Statements

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

Principal activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	Group RM	Company RM
Profit for the financial year	30,800,162	8,635,191
Attributable to:		
Owners of the Company	30,800,162	8,635,191

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

During the financial year, the Company paid:

	RM
An interim single-tier dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2026 declared on 25 August 2025 and paid on 19 September 2025	4,300,000
An interim single-tier dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2026 declared on 12 February 2026 and paid on 13 March 2026	4,300,000
An interim single-tier dividend of RM0.0025 per ordinary share in respect of the financial year ended 30 June 2026 declared on 21 May 2026 and paid on 26 June 2026	2,150,000
	10,750,000

The Board of Directors does not recommend any final dividend in respect of the financial year ended 30 June 2026.

Issue of shares and debentures

There was no issuance of shares or debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

Directors

The Directors in office during the financial year until the date of this report are:

Loo Chai Lai*
 Loo Jing Kai#
 Lee Chee Keong^
 Haji Ahmad Zakie Bin Haji Ahmad Shariff
 Christine Toh Hung Mei
 Teh Lay Sim
 Yeat Soo Ching

* Director of the Company and of its subsidiaries

Director of the Company and of its subsidiaries except for Ideal Bath Sdn. Bhd.

^ Director of the Company and of its subsidiaries except for Sorento Sdn. Bhd., Mocha Sdn. Bhd. and Nautical Sanitaryware Sdn. Bhd.

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporation of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2025	Bought/ Transferred In	Sold/ Transferred Out	At 30.6.2026
Interests in the Company				
Direct interests				
Loo Chai Lai	86,884,187	-	(20,000,000)	66,884,187
Loo Jing Kai	19,216,370	20,000,000	(19,216,370)	20,000,000
Lee Chee Keong	8,899,443	-	-	8,899,443
Haji Ahmad Zakie Bin Haji Ahmad Shariff	150,000	-	-	150,000
Christine Toh Hung Mei	250,000	-	-	250,000
Teh Lay Sim	250,000	-	-	250,000
Yeat Soo Ching	250,000	-	-	250,000
Indirect interests				
Loo Chai Lai #	536,016,370	39,216,370	(19,216,370)	556,016,370

Deemed interested by virtue of his direct shareholdings in LCL Success Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 and interest of his children, Loo Jing Kai, Loo Jing Shun and Loo Jing Yuan in the Company.

By virtue of his interests in the shares of the Company, Loo Chai Lai is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Directors' Report

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than any deemed benefit which may arise from transactions as disclosed in Note 32 to the financial statements.

The Directors' remuneration for the Group and the Company are RM4,125,669.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to make any allowance for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report

Other statutory information (Cont'd)

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Holding company

The Directors regard LCL Success Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as the holding company.

Subsidiaries

The details of the subsidiaries are disclosed in Note 7 to the financial statements.

Subsequent events after the reporting period

The subsequent events after the reporting period are disclosed in Note 36 to the financial statements.

Auditors

The Auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

The details of auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Audit fee	168,000	38,000
Non-audit fee	5,000	5,000
	173,000	43,000

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2026.

LOO CHAI LAI

LOO JING KAI

KUALA LUMPUR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 90 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2026.

LOO CHAI LAI

LOO JING KAI

KUALA LUMPUR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Tan Gine Ngee (MIA membership number: 26418), being the Officer primarily responsible for the financial management of Sorento Capital Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 90 to 139 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on)
27 October 2026)

TAN GINE NGEE

Before me,

Commissioner for Oaths
SHI'ARATUL AKMAR BINTI SAHARI
(W788)

Independent Auditors' Report

to the Members of Sorento Capital Berhad
[Registration No.: 202301018305 (1512227-W)]
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sorento Capital Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 90 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matter is those matter that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How we addressed the key audit matter
<p><i>Recoverability of trade receivables</i></p> <p>Referring to Note 10 to the financial statements, the Group's trade receivables as at 30 June 2026 amounted to RM45,026,523.</p> <p>The details of trade receivables and their credit risk have been disclosed in Notes 10 and 34 to the financial statements. We focused on this area as the determination of expected credit losses ("ECLs") and the recoverability of trade receivables involve significant management judgement and inherent subjectivity, given uncertainty regarding the ability of customers to settle their debts.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Evaluated the assumptions applied in the determination of forward-looking information. • Reviewed the historical observed default rates prepared by the management and evaluate the reliability of the underlying data. • Review subsequent receipts from major receivables and to assess the recoverability of receivables. • Review the disclosures in the financial statements for adequacy and appropriateness.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Independent Auditors' Report

to the Members of Sorento Capital Berhad
[Registration No.: 202301018305 (1512227-W)]
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

to the Members of Sorento Capital Berhad
[Registration No.: 202301018305 (1512227-W)]
(Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

TEOH CHEY YEAT
03447/08/2027 J
Chartered Accountant

KUALA LUMPUR
27 October 2026

Statements of Financial Position

As At 30 June 2026

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	40,781,246	43,822,268	3,217	3,606
Investment properties	5	1,300,857	873,053	-	-
Intangible assets	6	1,768,304	1,476,191	-	-
Investment in subsidiaries	7	-	-	38,959,543	41,216,360
Deferred tax assets	8	420,037	167,369	-	-
		44,270,444	46,338,881	38,962,760	41,219,966
Current assets					
Inventories	9	33,759,841	32,063,416	-	-
Trade receivables	10	45,026,523	43,306,872	-	-
Other receivables	11	11,472,833	13,747,106	65,768	48,549
Amount due from subsidiaries	12	-	-	-	15,043,755
Tax recoverable		1,091,773	1,996,554	-	-
Other investment	13	32,855,265	15,140,642	32,855,265	15,140,642
Contract assets	14	495,834	-	-	-
Fixed deposits with licensed banks	15	-	26,251,231	-	24,694,995
Cash and bank balances	16	43,372,695	17,006,414	24,583,723	2,002,701
		168,074,764	149,512,235	57,504,756	56,930,642
TOTAL ASSETS		212,345,208	195,851,116	96,467,516	98,150,608
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17(a)	97,767,205	97,767,205	97,767,205	97,767,205
Invested equity	17(b)	-	-	-	-
Merger deficit	18	(41,918,940)	(41,918,940)	-	-
Retained earnings/(Accumulated losses)		107,336,837	87,286,675	(1,973,198)	141,611
Total equity		163,185,102	143,134,940	95,794,007	97,908,816
LIABILITIES					
Non-current liabilities					
Loans and borrowings	19	613,161	261,714	-	-
Lease liabilities	20	35,786,738	38,010,260	-	-
Deferred tax liabilities	8	121,373	185,760	600	549
		36,521,272	38,457,734	600	549
Current liabilities					
Loans and borrowings	19	15,102	2,450,911	-	-
Lease liabilities	20	3,325,298	2,972,406	-	-
Trade payables	21	247,538	273,709	-	-
Other payables	22	8,045,116	7,005,194	517,532	239,805
Amount due to a subsidiary	12	-	-	114,768	-
Tax payable		1,005,780	1,556,222	40,609	1,438
		12,638,834	14,258,442	672,909	241,243
TOTAL LIABILITIES		49,160,106	52,716,176	673,509	241,792
TOTAL EQUITY AND LIABILITIES		212,345,208	195,851,116	96,467,516	98,150,608

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Revenue	23	183,884,738	179,167,202	16,750,000	13,900,000
Cost of sales		(100,706,717)	(101,998,096)	-	-
Gross profit		83,178,021	77,169,106	16,750,000	13,900,000
Other income		2,534,716	2,385,532	1,707,704	767,999
Selling and distribution expenses		(13,645,029)	(11,994,049)	-	-
Administrative expenses		(28,966,212)	(29,341,389)	(7,270,531)	(9,090,749)
Other expenses		(18,841)	(131,104)	(2,266,708)	(1,083,580)
Net loss on impairment of financial assets		(135,714)	(140,378)	-	-
Profit from operation		42,946,941	37,947,718	8,920,465	4,493,670
Finance costs	24	(1,622,209)	(1,980,452)	-	-
Profit before tax	25	41,324,732	35,967,266	8,920,465	4,493,670
Taxation	26	(10,524,570)	(9,730,100)	(285,274)	(56,193)
Profit for the financial year		30,800,162	26,237,166	8,635,191	4,437,477
Total comprehensive income for the financial year attributable to:					
Owners of the Company		30,800,162	26,237,166	8,635,191	4,437,477
Earnings per share:					
Basic (sen)	27	3.58	3.67		
Diluted (sen)	27	3.58*	3.67*		

* There are no dilutive earnings per share as the Group does not have any dilutive instruments for the financial years.

Statements of Changes In Equity

For The Financial Year Ended 30 June 2026

		← Attributable to owners of the Company →				
		← Non-distributable →			Distributable	
	Note	Share capital RM	Invested equity RM	Merger deficit RM	Retained earnings RM	Total equity RM
Group						
At 1 July 2024		1,000	381,000	-	65,349,509	65,731,509
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	26,237,166	26,237,166
Transactions with owners:						
Effect of restructuring exercise	17(a)/(b)	42,299,940	(381,000)	(41,918,940)	-	-
Issuance of share capital	17(a)	57,350,000	-	-	-	57,350,000
Share issuance expenses	17(a)	(1,883,735)	-	-	-	(1,883,735)
Dividends to owners of the Company	28	-	-	-	(4,300,000)	(4,300,000)
At 30 June 2025		97,767,205	-	(41,918,940)	87,286,675	143,134,940
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	30,800,162	30,800,162
Transaction with owners:						
Dividends to owners of the Company	28	-	-	-	(10,750,000)	(10,750,000)
At 30 June 2026		97,767,205	-	(41,918,940)	107,336,837	163,185,102

Statements of Changes In Equity

For The Financial Year Ended 30 June 2026

	Note	Share capital RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
Company				
At 1 July 2024		1,000	4,134	5,134
Profit for the financial year, representing total comprehensive income for the financial year		-	4,437,477	4,437,477
Transactions with owners:				
Effect of restructuring exercise	17(a)/(b)	42,299,940	-	42,299,940
Issuance of share capital	17(a)	57,350,000	-	57,350,000
Share issuance expenses	17(a)	(1,883,735)	-	(1,883,735)
Dividends to owners of the Company	28	-	(4,300,000)	(4,300,000)
At 30 June 2025		97,767,205	141,611	97,908,816
Profit for the financial year, representing total comprehensive income for the financial year		-	8,635,191	8,635,191
Transaction with owners:				
Dividends to owners of the Company	28	-	(10,750,000)	(10,750,000)
At 30 June 2026		97,767,205	(1,973,198)	95,794,007

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from operating activities					
Profit before tax		41,324,732	35,967,266	8,920,465	4,493,670
Adjustments for:					
Depreciation of property, plant and equipment		4,731,591	4,520,510	389	252
Gain on disposal of property, plant and equipment		(114,110)	(827,365)	-	-
Property, plant and equipment written off		2,220	121,183	-	-
Loss on early termination of lease contract		1,730	-	-	-
Depreciation of investment properties		14,836	9,975	-	-
Gain on disposal of investment properties		(3,755)	(29,609)	-	-
Amortisation of intangible assets		313,815	285,714	-	-
Impairment loss on investment in subsidiaries		-	-	2,256,817	1,083,580
Provision for/(Reversal of) slow moving inventories		7,162	(7,987)	-	-
Net allowance for expected credit losses ("ECLs") on trade receivables		135,714	140,378	-	-
Bad debts written off		5,000	-	-	-
Interest expenses		1,622,209	1,980,452	-	-
Interest income		(1,212,290)	(742,649)	(983,936)	(628,754)
Dividend income		(723,757)	(139,245)	(11,473,757)	(8,639,245)
Unrealised (gain)/loss on foreign exchange		(12,633)	9,921	-	-
Fair value loss on other investment		9,891	-	9,891	-
Operating profit/(loss) before working capital changes		46,102,355	41,288,544	(1,270,131)	(3,690,497)
Changes in working capital:					
Inventories		(1,703,587)	(2,778,931)	-	-
Receivables		(3,444,493)	(6,535,323)	(17,219)	218,947
Payables		1,001,922	(5,516,209)	277,727	(98,982)
Contract assets		(495,834)	-	-	-
Subsidiaries		-	-	274,984	(274,984)
		(4,641,992)	(14,830,463)	535,492	(155,019)
Cash generated from/(used in) operations		41,460,363	26,458,081	(734,639)	(3,845,516)
Interest received		860,526	292,603	645,504	232,362
Tax paid		(12,329,620)	(9,060,514)	(246,052)	(56,210)
Tax refund		1,842,334	-	-	-
Net cash from/(used in) operating activities		31,833,603	17,690,170	(335,187)	(3,669,364)

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	A	(998,929)	(1,087,549)	-	(3,293)
Proceeds from disposal of property, plant and equipment	B	4,089,604	332,000	-	-
Acquisition of investment properties	C	(153,551)	(524,335)	-	-
Proceeds from disposal of investment properties		350,000	395,000	-	-
Acquisition of intangible assets		(124,200)	-	-	-
Placement of other investment		(17,724,514)	(15,140,642)	(17,724,514)	(15,140,642)
Withdrawal/(Placement) of fixed deposits with maturity more than 3 months		10,198,257	(10,198,257)	10,198,257	(10,198,257)
Interest received		351,764	450,046	338,432	396,392
Dividend received		723,757	139,245	15,473,757	4,639,245
Net cash (used in)/from investing activities		(3,287,812)	(25,634,492)	8,285,932	(20,306,555)
Cash flows from financing activities					
Dividends paid		(10,750,000)	(7,299,000)	(10,750,000)	(4,300,000)
Interest paid		(1,622,209)	(1,984,577)	-	-
Repayments of term loans		(275,696)	(2,369,202)	-	-
Drawdown of bankers' acceptance		-	9,209,000	-	-
Repayments of bankers' acceptance		(2,444,000)	(21,201,000)	-	-
Drawdown of invoice financing		-	7,068,330	-	-
Repayment of invoice financing		-	(7,307,346)	-	-
Repayments of lease liabilities	D	(3,137,618)	(2,767,845)	-	-
Proceed from issuance of share capital, net of share issuance expenses		-	55,466,265	-	55,466,265
Advance from/(to) subsidiaries	E	-	-	10,883,539	(10,958,614)
Net cash (used in)/from financing activities		(18,229,523)	28,814,625	133,539	40,207,651

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Net increase in cash and cash equivalents		10,316,268	20,870,303	8,084,284	16,231,732
Cash and cash equivalents at beginning of the financial year		33,059,388	12,184,260	16,499,439	267,707
Effect of exchange translation differences on cash and cash equivalents		(2,961)	4,825	-	-
Cash and cash equivalents at end of the financial year		43,372,695	33,059,388	24,583,723	16,499,439
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances		43,372,695	17,006,414	24,583,723	2,002,701
Fixed deposits with licensed banks		-	26,251,231	-	24,694,995
		43,372,695	43,257,645	24,583,723	26,697,696
Less: Fixed deposits with maturity more than 3 months		-	(10,198,257)	-	(10,198,257)
		43,372,695	33,059,388	24,583,723	16,499,439

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

NOTES TO THE STATEMENTS OF CASH FLOWS

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
A. Acquisition of property, plant and equipment					
Total acquisitions	4	2,286,288	3,120,910	-	3,293
Less: Acquired through lease arrangements		(1,287,359)	(2,033,361)	-	-
Total cash payment		998,929	1,087,549	-	3,293
B. Proceeds from disposal of property, plant and equipment					
Total proceeds		203,780	4,238,000	-	-
Add/(Less): Other receivables		3,885,824	(3,906,000)	-	-
Total cash received		4,089,604	332,000	-	-
C. Acquisition of investment properties					
Total acquisitions	5	788,885	524,335	-	-
Less: Acquisition through drawdown of term loan		(635,334)	-	-	-
Total cash payment		153,551	524,335	-	-
D. Cash outflows for leases as a lessee					
<u>Included in net cash from/(used in) operating activities:</u>					
Payment relating to short-term leases	25	837,632	1,123,000	-	-
<u>Included in net cash (used in)/from financing activities:</u>					
Payment of lease liabilities		3,137,618	2,767,845	-	-
Payment on interest of lease liabilities		1,600,412	1,637,484	-	-
		4,738,030	4,405,329	-	-
		5,575,662	5,528,329	-	-
E. Advance from/(to) subsidiaries					
Non-trade movement of subsidiaries		-	-	10,883,539	(10,768,771)
Less: Reclassification of related parties		-	-	-	(189,843)
Net cash movement		-	-	10,883,539	(10,958,614)

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

30 June 2026

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Subsequent to the end of the reporting period, on 28 August 2026, the listing of and quotation for the entire issued share capital of the Company were transferred from the ACE Market to the Main Market of Bursa Securities, as disclosed in Note 36.

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 5, Jalan Astana 2/KU2, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 7.

There have been no significant changes in the nature of these activities during the financial year.

The Directors regard LCL Success Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as the holding company.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability
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The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements

30 June 2026

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
MFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	Applicable upon initial application of MFRS 18
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

Notes to the Financial Statements

30 June 2026

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial applications of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as follows:

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 *Presentation and Disclosure in Financial Statements* will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Notes to the Financial Statements

30 June 2026

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affect its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases of premises with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Impairment of investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's impairment of investment in subsidiaries at the end of the reporting period is disclosed in Note 7.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use ("ROU") assets in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates. The carrying amount of the Group's lease liabilities at the end of the reporting period is disclosed in Note 20.

Notes to the Financial Statements

30 June 2026

2. Basis of preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., economic growth) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's ECLs of trade receivables and contract assets at the end of the reporting period is disclosed in Notes 10 and 14.

3. Material accounting policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing whether the Company has power over another entity. Subsidiaries are fully consolidated from the date that control commences until the date control ceases.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment.

(ii) Common control business combination outside the scope of MFRS 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, and accordingly the accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the Group in the financial statements.

Notes to the Financial Statements

30 June 2026

3. Material accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Common control business combination outside the scope of MFRS 3 (Cont'd)

In applying merger accounting, financial statements items of the Group for the reporting years in which the common control combination occurs, and for any comparative years disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the combining entities first came under the control of the controlling party or parties prior to the common control combination.

The assets and liabilities are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger reserve.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, except for capital work-in-progress is stated at cost less impairment losses and not depreciated.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

Capital work-in-progress consists of computers and software. The amount is stated at cost until the property, plant and equipment are ready for their intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line method over its estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Notes to the Financial Statements

30 June 2026

3. Material accounting policies (Cont'd)

(b) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

The estimated useful lives for the current and comparative periods are as follows:

Freehold building	2%
Computer and software	10% - 20%
Office equipment	10%
Furniture and fittings	10% - 20%
Renovation	10% - 20%
Motor vehicles	10% - 20%
Signboard	10%
Showroom display	10%
Premises	Over the lease term

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) Leases

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition exemption

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line method over the lease term.

(iii) Depreciation

The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	10% - 20%
Premises	Over the lease term

(d) Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses. Buildings under construction are not depreciated until the assets are ready for intended use.

Investment properties are depreciated on straight line method to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	2%
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Notes to the Financial Statements

30 June 2026

3. Material accounting policies (Cont'd)

(d) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

Fair value of the investment properties under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable, or construction is complete, which is earlier.

(e) Intangible assets

(i) Internally-generated intangible assets - research on development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

(ii) Intangible assets acquired separately

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Capitalised costs are amortised on a straight-line method over its estimated useful lives. Amortisation expenses are recognised in profit or loss and included within the administrative expenses.

(iii) Subsequent measurement

Amortisation of the intangible assets begins when it is complete and the assets are available for use.

Intangible assets are amortised based on the estimated useful lives as follows:

Software	10 years
Trademark	7 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on weighted average basis.

Notes to the Financial Statements

30 June 2026

3. Material accounting policies (Cont'd)

(g) Contract assets

Contract assets are the right to consideration for goods or services transferred to the customers. The Group's contract assets are the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Contract assets are reclassified to trade receivables at the point at which invoices have been billed to customers. Contract assets are subject to impairment assessment in accordance of MFRS 9 *Financial Instruments*.

(h) Financial instruments

At the reporting date, the Group and the Company carry both financial assets at fair value through profit or loss ("FVTPL") and at amortised costs on their statements of financial position. The Group's financial asset at FVTPL includes other investment while financial assets at amortised costs include trade and other receivables, fixed deposits with licensed banks, and cash and bank balances. The Company's financial asset at FVTPL includes other investment and financial assets at amortised costs include other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances.

At the reporting date, the Group and the Company carry only financial liabilities at amortised costs on their statements of financial position. The Group's financial liabilities at amortised costs include loans and borrowings, trade and other payables. The Company's financial liabilities at amortised costs include other payables and amount due to a subsidiary.

(i) Revenue recognition

(i) Revenue from contracts with customers

The Group and the Company recognise revenue from the following major sources:

Sales of goods

The Group sells sanitary, kitchen and bathroom wares, bathroom utensils, equipment, accessories, tiling and building materials to local customers. Revenue from sales of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of goods.

Revenue is recognised based on the price specified in the contract, net of any discounts.

Sales are made with a credit term of cash on delivery to 120 days, which is consistent with market practice, therefore no element of financing is deemed present. A receivable is recognised when the customer accepts delivery of the goods.

Rendering of services

Revenue from management fees is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Company, and the Company has a present right to payment for the services.

(ii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment are established.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Rental income

Rental income is accounted for on a straight-line method over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line method.

Notes to the Financial Statements

30 June 2026

4. Property, plant and equipment

Group	Freehold land RM	Freehold building RM	Computer and software RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Signboard RM	Showroom display RM	Premises RM	Capital work-in-progress RM	Total RM
Cost												
At 1 July 2024	1,171,508	2,400,000	689,013	1,292,470	1,213,571	965,389	4,240,120	32,337	54,263	40,283,507	476,328	52,818,506
Additions	-	-	281,110	40,770	13,320	695,004	2,026,464	11,201	-	53,041	-	3,120,910
Disposal	(1,171,508)	(2,400,000)	(1,300)	-	-	-	(140,112)	-	-	-	-	(3,712,920)
Written off	-	-	(6,490)	(4,362)	-	(175,411)	-	(5,612)	-	-	-	(191,875)
At 30 June 2025	-	-	962,333	1,328,878	1,226,891	1,484,982	6,126,472	37,926	54,263	40,336,548	476,328	52,034,621
Additions	-	-	82,554	66,991	30,045	360,024	1,048,915	-	-	692,359	5,400	2,286,288
Disposal	-	-	(2,000)	-	-	-	(468,597)	-	-	-	-	(470,597)
Written off	-	-	(550)	(2,113)	(2,500)	-	-	-	-	-	-	(5,163)
Early termination of a lease contract	-	-	-	-	-	-	-	-	-	(53,041)	-	(53,041)
Transfer to intangible assets	-	-	-	-	-	-	-	-	-	-	(481,728)	(481,728)
At 30 June 2026	-	-	1,042,337	1,393,756	1,254,436	1,845,006	6,706,790	37,926	54,263	40,975,866	-	53,310,380
Accumulated depreciation												
At 1 July 2024	-	144,000	391,334	506,103	390,662	197,041	1,575,578	11,697	3,618	844,787	-	4,064,820
Charge for the financial year	-	44,000	72,555	123,958	116,672	156,847	684,546	4,017	5,426	3,312,489	-	4,520,510
Disposal	-	(188,000)	(173)	-	-	-	(114,112)	-	-	-	-	(302,285)
Written off	-	-	(5,234)	(1,559)	-	(62,267)	-	(1,632)	-	-	-	(70,692)
At 30 June 2025	-	-	458,482	628,502	507,334	291,621	2,146,012	14,082	9,044	4,157,276	-	8,212,353
Charge for the financial year	-	-	93,351	128,048	117,688	161,206	836,307	3,792	5,426	3,385,773	-	4,731,591
Disposal	-	-	(2,000)	-	-	-	(378,927)	-	-	-	-	(380,927)
Written off	-	-	(550)	(872)	(1,521)	-	-	-	-	-	-	(2,943)
Early termination of a lease contract	-	-	-	-	-	-	-	-	-	(30,940)	-	(30,940)
At 30 June 2026	-	-	549,283	755,678	623,501	452,827	2,603,392	17,874	14,470	7,512,109	-	12,529,134
Net carrying amount												
At 30 June 2026	-	-	493,054	638,078	630,935	1,392,179	4,103,398	20,052	39,793	33,463,757	-	40,781,246
At 30 June 2025	-	-	503,851	700,376	719,557	1,193,361	3,980,460	23,844	45,219	36,179,272	476,328	43,822,268

Notes to the Financial Statements

30 June 2026

4. Property, plant and equipment (Cont'd)

	Computer and software RM
Company	
Cost	
At 1 July 2024	600
Addition	3,293
At 30 June 2025/30 June 2026	3,893
Accumulated depreciation	
At 1 July 2024	35
Charge for the financial year	252
At 30 June 2025	287
Charge for the financial year	389
At 30 June 2026	676
Net carrying amount	
At 30 June 2026	3,217
At 30 June 2025	3,606

(a) Including in the net carrying amount of property, plant and equipment are ROU assets as follows:

	Motor vehicles RM	Premises RM	Total RM
Group			
Cost			
At 1 July 2024	2,529,203	40,283,507	42,812,710
Additions	2,025,305	53,041	2,078,346
Fully settlement of lease arrangements	(273,461)	-	(273,461)
At 30 June 2025	4,281,047	40,336,548	44,617,595
Additions	1,048,715	692,359	1,741,074
Early termination of a lease contract	-	(53,041)	(53,041)
Fully settlement of lease arrangements	(339,300)	-	(339,300)
At 30 June 2026	4,990,462	40,975,866	45,966,328

Notes to the Financial Statements

30 June 2026

4. Property, plant and equipment (Cont'd)

(a) Including in the net carrying amount of property, plant and equipment are ROU assets as follows: (Cont'd)

	Motor vehicles RM	Premises RM	Total RM
Group (Cont'd)			
Accumulated depreciation			
At 1 July 2024	468,779	844,787	1,313,566
Charge for the financial year	474,858	3,312,489	3,787,347
Fully settlement of lease arrangements	(173,192)	-	(173,192)
At 30 June 2025	770,445	4,157,276	4,927,721
Charge for the financial year	653,961	3,385,773	4,039,734
Early termination of a lease contract	-	(30,940)	(30,940)
Fully settlement of lease arrangements	(260,130)	-	(260,130)
At 30 June 2026	1,164,276	7,512,109	8,676,385
Net carrying amount			
At 30 June 2026	3,826,186	33,463,757	37,289,943
At 30 June 2025	3,510,602	36,179,272	39,689,874

The net carrying amount of motor vehicles of the Group amounted to RM3,826,186 (2025: RM3,510,602) were acquired under hire purchase arrangements.

Notes to the Financial Statements

30 June 2026

5. Investment properties

	Freehold buildings RM	Buildings under construction RM	Total RM
Group			
Cost			
At 1 July 2024	754,254	-	754,254
Addition	-	524,335	524,335
Disposal	(383,277)	-	(383,277)
At 30 June 2025	370,977	524,335	895,312
Addition	-	788,885	788,885
Disposal	(370,977)	-	(370,977)
Reclassification	927,215	(927,215)	-
At 30 June 2026	927,215	386,005	1,313,220
Accumulated depreciation			
At 1 July 2024	30,170	-	30,170
Charge for the financial year	9,975	-	9,975
Disposal	(17,886)	-	(17,886)
At 30 June 2025	22,259	-	22,259
Charge for the financial year	14,836	-	14,836
Disposal	(24,732)	-	(24,732)
At 30 June 2026	12,363	-	12,363
Net carrying amount			
At 30 June 2026	914,852	386,005	1,300,857
At 30 June 2025	348,718	524,335	873,053

Investment properties at cost

Buildings under construction which is stated at cost comprises a residential and a warehouse under construction in Malaysia.

Investment properties pledged as securities to financial institutions

Investment properties with the net carrying amount of RM914,852 (2025: RMNil) have been pledged to secure banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

Expenses recognised in profit or loss

The following is recognised in profit or loss in respect of investment properties:

	Group	
	2026 RM	2025 RM
Direct operating expenses		
- non-income generating properties	3,991	5,832

Notes to the Financial Statements

30 June 2026

5. Investment properties (Cont'd)

Fair value basis of investment properties

The fair values of the investment properties of the Group were estimated by the Directors based on recent transacted prices in the market of properties with similar condition and location. In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

Fair value measurements of the investment properties were categorised as follows:

	Group	
	2026 RM	2025 RM
Recurring fair value measurement:		
Freehold buildings	1,068,855	532,170

Level 3 fair value

Level 3 fair value of buildings have been generally derived by using sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property site. The most significant input into this valuation approach is price per square foot of comparable properties.

Buildings under construction

Management concludes that due to the nature and amount of remaining projects risks, its fair value cannot be reliably determined.

6. Intangible assets

	Trademark RM	Software RM	Development work-in- progress RM	Total RM
Group				
Cost				
At 1 July 2024/30 June 2025	2,000,000	-	-	2,000,000
Addition	-	-	124,200	124,200
Transferred from property, plant and equipment	-	481,728	-	481,728
At 30 June 2026	2,000,000	481,728	124,200	2,605,928
Accumulated amortisation				
At 1 July 2024	238,095	-	-	238,095
Charge for the financial year	285,714	-	-	285,714
At 30 June 2025	523,809	-	-	523,809
Charge for the financial year	285,714	28,101	-	313,815
At 30 June 2026	809,523	28,101	-	837,624
Net carrying amount				
At 30 June 2026	1,190,477	453,627	124,200	1,768,304
At 30 June 2025	1,476,191	-	-	1,476,191

The net carrying amount of the trademark and software are reviewed annually and adjusted for impairment when necessary. The amortisation of trademark and software amounting to RM313,815 (2025: RM285,714) is included in administrative expenses.

Notes to the Financial Statements

30 June 2026

6. Intangible assets (Cont'd)

Trademark

The trademark allows the Group to own and possess the brand name called "Mocha" which includes the branding, trademarks, trade name, logo and intellectual property rights.

The cost of trademark acquired represents its fair value as at the date of acquisition. The useful life of the trademark is estimated to be 7 years. Trademark is stated at cost less accumulated amortisation and less any accumulated impairment loss.

Software

The software represents the Enterprise Resource Planning ("ERP") system which centralises and automates the core business functions of the Group.

The cost of software is initially measured at cost. After initial recognition, the software is carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of the software is estimated to be 10 years. The amortisation period and amortisation method are reviewed by the management at least annually for appropriateness.

Development work-in-progress

Development work-in-progress of the Group represent the costs incurred in respect of Artificial Intelligence ("AI") assistant developments.

Development work-in-progress is measured at cost and are not amortised as they are not available for intended use as at the financial year ended.

7. Investment in subsidiaries

	Company	
	2026 RM	2025 RM
In Malaysia		
Unquoted shares, at cost	42,299,940	42,299,940
Less: Accumulated impairment losses	(3,340,397)	(1,083,580)
	38,959,543	41,216,360

Movements in the accumulated impairment losses are as follows:

	Company	
	2026 RM	2025 RM
At beginning of the financial year	1,083,580	-
Impairment during the financial year	2,256,817	1,083,580
At end of the financial year	3,340,397	1,083,580

The Company had recognised impairment loss of RM2,256,817 (2025: RM1,083,580) in respect of certain investment in subsidiaries as the subsidiaries' net tangible assets fell below the cost of investment and the Company has determined the recoverable amounts to be lower than the cost of investment.

Notes to the Financial Statements

30 June 2026

7. Investment in subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2026 %	2025 %	
Sorento Sdn. Bhd. ("SSB")	Malaysia	100	100	Wholesale and warehousing of sanitary, kitchen and bathroom wares, bathroom utensils, equipment and accessories.
Beyond Bath Sdn. Bhd. ("BBSB")	Malaysia	100	100	Trading of bathroom wares, bathroom utensils, bathroom equipment and related products.
Nautical Sanitaryware Sdn. Bhd. ("NSSB")	Malaysia	100	100	Trading of sanitary ware and bathroom accessories.
Ideal Bath Sdn. Bhd. ("IBSB")	Malaysia	100	100	Trading of sanitary ware, tiling and building materials.
<i>Held through SSB:</i>				
Mocha Sdn. Bhd.	Malaysia	100	100	Wholesale, trading and warehousing of sanitary and bathroom wares, bathroom utensils, equipment and accessories, hardware, kitchen wares and household appliances.

Acquisition of subsidiaries

The Group was formed pursuant to the completion of the acquisition of its subsidiaries by the Company prior to the listing of and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

On 18 March 2024, the Company entered into conditional share sale agreements for the acquisition of subsidiaries by way of the issuance of 704,999,000 new ordinary shares at an issue price of RM0.06 per ordinary share for total consideration of RM42,299,940.

The acquisition was completed on 19 August 2024 and consolidated using merger method of accounting. Under the merger method of accounting, the results of these subsidiaries are presented as if the merger has taken effect throughout the current and previous financial years.

Notes to the Financial Statements

30 June 2026

8. Deferred tax assets/(liabilities)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of the financial year	(18,391)	(152,691)	(549)	-
Recognised in profit or loss	317,055	134,300	(51)	(549)
At end of the financial year	298,664	(18,391)	(600)	(549)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Deferred tax assets	420,037	167,369	-	-
Deferred tax liabilities	(121,373)	(185,760)	(600)	(549)
	298,664	(18,391)	(600)	(549)

The components and movements of deferred tax assets/(liabilities) are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Property, plant and equipment	14,493	(85,561)	(600)	(549)
Provisions	70,025	67,170	-	-
Unutilised business losses	210,299	-	-	-
Unabsorbed capital allowances	3,847	-	-	-
	298,664	(18,391)	(600)	(549)

9. Inventories

	Group	
	2026 RM	2025 RM
Trading goods	29,230,018	27,637,051
Goods-in-transit	4,529,823	4,426,365
	33,759,841	32,063,416
Recognised in profit or loss:		
Inventories recognised as cost of sales	81,370,930	82,279,537
Provision for/(Reversal of) slow moving inventories	7,162	(7,987)

The reversal of slow moving inventories was made in the previous financial year when the related inventories were sold.

The provision for slow moving inventories were made during the financial year when the trading goods have been unusable or only saleable at prices below their carrying amounts.

Notes to the Financial Statements

30 June 2026

10. Trade receivables

	Group	
	2026 RM	2025 RM
Trade receivables	45,439,464	43,584,099
Less: Allowance for ECLs	(412,941)	(277,227)
	45,026,523	43,306,872

Trade receivables are non-interest bearing and are generally on cash on delivery to 120 days (2025: cash on delivery to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of RM28,756 (2025: RM7,365) due from companies in which certain Directors have interests.

Movements in the allowance for ECLs are as follows:

	Group	
	2026 RM	2025 RM
At beginning of the financial year	277,227	136,849
Allowance for ECLs	135,827	140,378
Reversal of ECLs	(113)	-
At end of the financial year	412,941	277,227

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group			
2026			
Not past due	27,941,127	(23)	27,941,104
Past due:			
Less than 30 days	9,437,889	-	9,437,889
31 to 60 days	3,706,532	(288)	3,706,244
61 to 90 days	1,950,026	-	1,950,026
More than 90 days	2,015,729	(24,469)	1,991,260
	45,051,303	(24,780)	45,026,523
Credit impaired:			
Individual impaired	388,161	(388,161)	-
	45,439,464	(412,941)	45,026,523

Notes to the Financial Statements

30 June 2026

10. Trade receivables (Cont'd)

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables: (Cont'd)

	Gross amount RM	ECLs RM	Net amount RM
Group (Cont'd)			
2025			
Not past due	27,117,897	-	27,117,897
Past due:			
Less than 30 days	7,706,992	-	7,706,992
31 to 60 days	3,527,093	-	3,527,093
61 to 90 days	2,361,219	-	2,361,219
More than 90 days	2,593,671	-	2,593,671
	43,306,872	-	43,306,872
Credit impaired:			
Individual impaired	277,227	(277,227)	-
	43,584,099	(277,227)	43,306,872

11. Other receivables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-trade receivables	39,140	3,973,916	-	-
Deposits	962,892	986,533	1,300	1,300
Prepayments	2,753,643	729,685	64,468	47,249
Advances to suppliers	7,717,108	8,056,972	-	-
Advance to staff	50	-	-	-
	11,472,833	13,747,106	65,768	48,549

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

Included in prepayments of the Group is an amount of RM2,256,365 (2025: RMNil) relating to subsidies provided to existing dealer for the operation of concept store showcasing the Group's products. The amount remains recognised as prepayments as the renovation for concept store had not been completed as at end of reporting date.

Included in non-trade receivables of the Group is an amount of RM20,176 (2025: RM3,906,000) related to disposal of property, plant and equipment.

Included in deposits of the Group is an amount of RM750,000 (2025: RM750,000) paid to companies in which certain Directors have interests as rental deposits.

Notes to the Financial Statements

30 June 2026

11. Other receivables (Cont'd)

The foreign currency profile of other receivables are as follows:

	Group	
	2026 RM	2025 RM
United States Dollar ("USD")	-	130,325
Renminbi ("RMB")	7,030,446	7,262,785
	7,030,446	7,393,110

12. Amount due from/(to) subsidiaries

	Company	
	2026 RM	2025 RM
Trade	-	274,984
Non-trade	(114,768)	10,768,771
Dividend receivable	-	4,000,000
	(114,768)	15,043,755

In the previous financial year, trade balance is given credit term of 30 days. Non-trade balance is unsecured, non-interest bearing and repayable on demand.

13. Other investment

	Group and Company	
	2026 RM	2025 RM
<u>At FVTPL</u>		
Level 2		
Unit trust fund	32,855,265	15,140,642

The unit trust fund of the Group and of the Company are classified as Level 2 in the fair value hierarchy. The fair values are determined based on the net asset values of the funds provided by the respective licensed fund management companies at the reporting date.

Notes to the Financial Statements

30 June 2026

14. Contract assets

	Group	
	2026 RM	2025 RM
Contract assets		
At beginning of the financial year	-	-
Performance obligations performed but not billed during the financial year	495,834	-
At end of the financial year	495,834	-

The following table provide information about the exposure to credit risk and allowance for ECLs for contract assets as the Group is expected to have similar risk nature with trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group			
2026			
Not past due	495,834	-	495,834

The contract assets primarily relate to the Group's right to consideration for work performed but not yet billed at the reporting date for its supply and delivery of sanitary products. The contract assets will be transferred to trade receivables when the rights become unconditional.

15. Fixed deposits with licensed banks

The Group and the Company did not hold any fixed deposits with licensed banks as at 30 June 2026, the deposits held having been fully withdrawn during the financial year.

As at 30 June 2025, the interest rates of fixed deposits with licensed banks of the Group and of the Company ranged from 2.45% to 4.00% and 3.80% to 4.00% per annum respectively, and their maturities ranged from 2 to 6 months and 3 to 6 months respectively.

Included in the above were fixed deposits of the Group and of the Company of RM10,198,257 each which had maturities of more than 3 months and which were accordingly excluded from cash and cash equivalents.

16. Cash and bank balances

The foreign currency profile of cash and bank balances are as follows:

	Group	
	2026 RM	2025 RM
USD	30,377	27,233
RMB	80,854	433,113
	111,231	460,346

Notes to the Financial Statements

30 June 2026

17. Share capital and invested equity

(a) Share capital

	Group and Company	
	Number of ordinary shares	
	2026 Units	2025 Units
Issued and fully paid:		
At beginning of the financial year	860,000,000	1,000
Effect of restructuring exercise	-	704,999,000
Issuance of share capital	-	155,000,000
At end of the financial year	860,000,000	860,000,000

	Group and Company	
	Amount	
	2026 RM	2025 RM
Issued and fully paid:		
At beginning of the financial year	97,767,205	1,000
Effect of restructuring exercise	-	42,299,940
Issuance of share capital	-	57,350,000
Share issuance expenses	-	(1,883,735)
At end of the financial year	97,767,205	97,767,205

On 18 March 2024, the Company entered into conditional share sale agreements for the acquisition of subsidiaries by way of the issuance of 704,999,000 new ordinary shares at an issue price of RM0.06 per ordinary share for total consideration of RM42,299,940. The acquisition process was completed on 19 August 2024.

In conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad on 28 October 2024, the Company issued 155,000,000 new ordinary shares at an issue price of RM0.37 per ordinary share for a total consideration of RM57,350,000 via IPO.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Notes to the Financial Statements

30 June 2026

17. Share capital and invested equity (Cont'd)

(b) Invested equity

	Group	
	Number of ordinary shares	
	2026 Units	2025 Units
Issued and fully paid:		
At beginning of the financial year	-	381,000
Effect of restructuring exercise	-	(381,000)
At end of the financial year	-	-

	Group	
	Amount	
	2026 RM	2025 RM
Issued and fully paid:		
At beginning of the financial year	-	381,000
Effect of restructuring exercise	-	(381,000)
At end of the financial year	-	-

Invested equity comprised the aggregate number of issued and paid-up ordinary shares of SSB, BBSB, NSSB and IBSB. The amount has been reversed against the merger deficit as disclosed in Note 18 to the financial statements.

18. Merger deficit

The merger deficit is the difference between the cost of merger and the share capital of the subsidiaries upon consolidation under the merger acquisition principle.

Notes to the Financial Statements

30 June 2026

19. Loans and borrowings

	Group	
	2026 RM	2025 RM
Secured		
Term loans	628,263	268,625
Bankers' acceptance	-	2,444,000
	628,263	2,712,625
Non-current		
Term loans	613,161	261,714
Current		
Term loans	15,102	6,911
Bankers' acceptance	-	2,444,000
	15,102	2,450,911
	628,263	2,712,625

The above credit facilities are secured by the followings:

- (i) Investment properties as disclosed in Note 5 to the financial statements;
- (ii) Facility agreements; and
- (iii) Financial guarantee by the Company to its subsidiaries.

The repayment terms of above credit facilities are as follows:

- (i) Term loans are repayable over 300 (2025: 300) monthly instalments.
- (ii) Bankers' acceptance were repayable within Nil (2025: 148 to 150) days.

The average effective interest rates per annum are as follows:

	Group	
	2026 %	2025 %
Term loans	3.75	4.42 - 4.52
Bankers' acceptance	-	4.11 - 4.35
Invoice financing	-	4.18 - 4.47

Notes to the Financial Statements

30 June 2026

20. Lease liabilities

	Group	
	2026 RM	2025 RM
Non-current	35,786,738	38,010,260
Current	3,325,298	2,972,406
	39,112,036	40,982,666

The maturity analysis of lease liabilities at the end of the reporting period:

	Group	
	2026 RM	2025 RM
Within 1 year	4,814,856	4,551,372
Between 1 - 5 years	17,697,561	18,264,879
More than 5 years	26,247,456	29,262,156
	48,759,873	52,078,407
Less: Future finance charges	(9,647,837)	(11,095,741)
Present value of lease liabilities	39,112,036	40,982,666

The Group leases motor vehicles and premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liabilities of premises bearing effective interest rates at 7.72% (2025: at 7.72%) per annum.

The lease liabilities of motor vehicles bearing effective interest rates ranging from 4.24% to 6.64% (2025: 4.11% to 6.64%) per annum. Interest rates are fixed at the inspection of the lease liabilities agreements.

21. Trade payables

The normal trade credit terms granted to the Group ranged from cash on delivery to 60 days (2025: cash on delivery to 60 days) depending on the terms of the contracts.

The foreign currency profile of trade payables are as follows:

	Group	
	2026 RM	2025 RM
RMB	27,796	73,601

Notes to the Financial Statements

30 June 2026

22. Other payables

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-trade payables	1,554,767	974,002	64,120	56,418
Accruals	5,959,130	5,121,201	453,412	183,387
Deposits received	531,219	909,991	-	-
	8,045,116	7,005,194	517,532	239,805

Included in deposits received of the Group is an amount of RMNil (2025: RM2,440) due to a company in which certain Directors have interests.

Deposits received of the Group is relative to advance received for supply of goods.

The foreign currency profile of other payables are as follows:

	Group	
	2026 RM	2025 RM
RMB	5,091,800	1,068,945

23. Revenue

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers:				
- Sales of goods	183,884,738	179,167,202	-	-
- Management fees	-	-	6,000,000	5,400,000
	183,884,738	179,167,202	6,000,000	5,400,000
Revenue from other source:				
- Dividend income from subsidiaries	-	-	10,750,000	8,500,000
	183,884,738	179,167,202	16,750,000	13,900,000
Timing of revenue recognition:				
At a point in time	183,884,738	179,167,202	-	-
Over time	-	-	6,000,000	5,400,000
	183,884,738	179,167,202	6,000,000	5,400,000
Geographical market:				
Malaysia	183,884,738	179,167,202	6,000,000	5,400,000

Notes to the Financial Statements

30 June 2026

24. Finance costs

	Group	
	2026 RM	2025 RM
Interest expenses on:		
- Term loans	21,797	64,170
- Bankers' acceptance	-	158,542
- Invoice financing	-	120,256
- Lease liabilities	1,600,412	1,637,484
	1,622,209	1,980,452

25. Profit before tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Auditors' remuneration:				
- Statutory fee	168,000	165,000	38,000	30,000
- Non-statutory fee	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	4,731,591	4,520,510	389	252
Gain on disposal of property, plant and equipment	(114,110)	(827,365)	-	-
Property, plant and equipment written off	2,220	121,183	-	-
Depreciation of investment properties	14,836	9,975	-	-
Gain on disposal of investment properties	(3,755)	(29,609)	-	-
Amortisation of intangible assets	313,815	285,714	-	-
Impairment loss on investment in subsidiaries	-	-	2,256,817	1,083,580
Provision for/(Reversal of) slow moving inventories	7,162	(7,987)	-	-
Net allowance for ECLs on trade receivables	135,714	140,378	-	-
Interest income on:				
- Other investment	(756)	(1,397)	(756)	(1,397)
- Fixed deposits with licensed banks	(351,008)	(448,649)	(337,676)	(394,995)
- Cash and bank balances	(860,526)	(292,603)	(645,504)	(232,362)
Dividend income	(723,757)	(139,245)	(723,757)	(139,245)
Foreign exchange:				
- Unrealised (gain)/loss	(12,633)	9,921	-	-
- Realised gain	(386,658)	(621,341)	-	-
Bad debts written off	5,000	-	-	-
Loss on fair value on other investment	9,891	-	9,891	-
Loss on early termination of lease contract	1,730	-	-	-
Short-term leases (a)	837,632	1,123,000	-	-
Rental income	(12,194)	(5,350)	-	-

(a) The Group leases various premises and motor vehicles with contract terms of not more than one year. These leases are short-term. The Group has elected not to recognise ROU assets and lease liabilities for these leases.

Notes to the Financial Statements

30 June 2026

26. Taxation

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	10,996,207	9,909,151	267,400	56,552
(Over)/Under provision in previous financial years	(154,582)	(44,751)	17,823	(908)
	10,841,625	9,864,400	285,223	55,644
Deferred tax				
Origination and reversal of temporary differences	(317,055)	(134,300)	51	549
	(317,055)	(134,300)	51	549
	10,524,570	9,730,100	285,274	56,193

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company is as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit before tax	41,324,732	35,967,266	8,920,465	4,493,670
At Malaysian statutory tax rate of 24% (2025: 24%)	9,917,936	8,632,144	2,140,912	1,078,481
Expenses not deductible for tax purposes	797,514	1,642,509	880,241	1,052,039
Income not subject to tax	(202,136)	(499,802)	(2,753,702)	(2,073,419)
Movement of deferred tax assets not recognised	165,838	-	-	-
(Over)/Under provision of current tax expenses in previous financial year	(154,582)	(44,751)	17,823	(908)
	10,524,570	9,730,100	285,274	56,193

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of this item as it may not have sufficient taxable profits to be used to offset.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2026 RM	2025 RM
Property, plant and equipment	197,438	-
Provision	133,693	-
Unutilised business losses	356,230	-
Unabsorbed capital allowances	3,632	-
	690,993	-

Notes to the Financial Statements

30 June 2026

26. Taxation (Cont'd)

Unrecognised deferred tax assets (Cont'd)

The expiry of the unutilised business losses is as follows:

	Group	
	2026 RM	2025 RM
Year of assessment 2036	356,230	-

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expiry under current tax legislation.

However, the above amount is subject to approval by the tax authority.

27. Earnings per share

Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2026 RM	2025 RM
Profit attributable to owners of the Company	30,800,162	26,237,166
Weighted average number of ordinary shares (units)	860,000,000	714,822,052
Basic earnings per ordinary share (sen)	3.58	3.67

Diluted earnings per share

There are no dilutive earnings per share as the Group does not have any dilutive instruments for the financial years.

Notes to the Financial Statements

30 June 2026

28. Dividends

	Group and Company 2026 RM
Dividends recognised as distribution to owners of the Company:	
<u>In respect of the financial year ended 30 June 2026</u>	
An interim single-tier dividend of RM0.005 per ordinary share declared on 25 August 2025 and paid on 19 September 2025	4,300,000
An interim single-tier dividend of RM0.005 per ordinary share declared on 12 February 2026 and paid on 13 March 2026	4,300,000
An interim single-tier dividend of RM0.0025 per ordinary share declared on 21 May 2026 and paid on 26 June 2026	2,150,000
	<u>10,750,000</u>
	Group and Company 2025 RM
<u>In respect of the financial year ended 30 June 2025</u>	
An interim single-tier dividend of RM0.005 per ordinary share declared on 27 February 2025 and paid on 21 March 2025	<u>4,300,000</u>

The Board of Directors does not recommend any final dividend in respect of the current financial year.

29. Staff costs

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries, fees and other emoluments	16,235,843	15,104,572	5,084,315	4,854,555
Defined contribution plans	1,793,864	1,775,502	414,295	452,665
Social security contributions	156,090	144,257	8,391	8,144
Employment insurance scheme	16,903	16,296	857	862
Other benefits	772,879	762,468	172,096	163,814
	<u>18,975,579</u>	<u>17,803,095</u>	<u>5,679,954</u>	<u>5,480,040</u>

Notes to the Financial Statements

30 June 2026

29. Staff costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Group and of the Company during the financial year as below:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fees	240,000	180,000	240,000	180,000
Salaries and other emoluments	3,624,615	3,492,855	3,624,615	3,492,855
Defined contribution plans	248,731	292,105	248,731	292,105
Social security contributions	3,392	3,354	3,392	3,354
Employment insurance scheme	286	315	286	315
Other benefits	8,645	5,747	8,645	5,747
	4,125,669	3,974,376	4,125,669	3,974,376

The estimated monetary value of benefits-in-kind received by the Directors of the Group and of the Company were RM43,325 (2025: RM45,400).

30. Reconciliation of liabilities arising from financing activities

The table below shows the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1.7.2025 RM	Drawdowns RM	Repayments RM	Early termination RM	At 30.6.2026 RM
Group					
Term loans	268,625	635,334	(275,696)	-	628,263
Bankers' acceptance	2,444,000	-	(2,444,000)	-	-
Lease liabilities	40,982,666	1,287,359	(3,137,618)	(20,371)	39,112,036
	43,695,291	1,922,693	(5,857,314)	(20,371)	39,740,299

	At 1.7.2024 RM	Drawdowns RM	Repayments RM	At 30.6.2025 RM
Group				
Term loans	2,637,827	-	(2,369,202)	268,625
Bankers' acceptance	14,436,000	9,209,000	(21,201,000)	2,444,000
Invoice financing	239,016	7,068,330	(7,307,346)	-
Lease liabilities	41,717,150	2,033,361	(2,767,845)	40,982,666
	59,029,993	18,310,691	(33,645,393)	43,695,291

Notes to the Financial Statements

30 June 2026

31. Capital commitment and financial guarantee

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Capital expenditure				
Authorised and contracted for:				
- Investment properties	3,929,005	4,705,675	-	-
- Computers and software	-	129,600	-	-
- Renovation	182,700	-	-	-
- Intangible assets	13,800	-	-	-
	4,125,505	4,835,275	-	-
Financial guarantee				
Guarantee given to financial institutions for credit facilities granted to subsidiaries	-	-	52,289,099	59,028,880

32. Related party disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

Notes to the Financial Statements

30 June 2026

32. Related party disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Transaction with subsidiaries:				
- Management fees received	-	-	(6,000,000)	(5,400,000)
Transactions with companies in which certain Directors have interests:				
- Sales	(130,953)	(167,221)	-	-
- Rental paid (MFRS 16)	3,600,000	3,600,000	-	-
- Acquisition of property, plant and equipment	-	1,200	-	-
- Purchase of paint and hardware products	4,412	1,162	-	-
Transaction with a firm in which a Director had interest:				
- Provision of legal professional services	14,295	-	-	-

(c) Compensation of key management personnel

Other than Directors' remuneration as disclosed in Note 29 to the financial statements, the key management personnels' compensation during the financial year are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Salaries, wages and other emoluments	1,219,700	1,181,700	1,219,700	1,181,700
Defined contribution plans	165,564	160,560	165,564	160,560
Social security contributions	4,999	4,790	4,999	4,790
Employment insurance scheme	571	547	571	547
Other benefits	163,451	157,248	163,451	157,248
	1,554,285	1,504,845	1,554,285	1,504,845

The estimated monetary value of benefits-in-kind received by the key management personnel of the Group and of the Company were RM25,948 (2025: RM27,200).

Notes to the Financial Statements

30 June 2026

33. Segment information

(a) Business segments

For management purposes, the Group is predominantly involved in trading of sanitary, kitchen and bathroom wares, bathroom utensils, equipment and accessories.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment.

(b) Geographic information

No disclosure on geographical segment information as the Group predominantly operates in Malaysia.

(c) Major customers

The Group has large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 30 June 2026 and 30 June 2025.

34. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised costs.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At FVTPL				
Financial asset				
Other investment	32,855,265	15,140,642	32,855,265	15,140,642
At amortised costs				
Financial assets				
Trade receivables	45,026,523	43,306,872	-	-
Other receivables	1,002,082	4,960,449	1,300	1,300
Amount due from subsidiaries	-	-	-	15,043,755
Fixed deposits with licensed banks	-	26,251,231	-	24,694,995
Cash and bank balances	43,372,695	17,006,414	24,583,723	2,002,701
	89,401,300	91,524,966	24,585,023	41,742,751
	122,256,565	106,665,608	57,440,288	56,883,393

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At amortised costs				
Financial liabilities				
Loans and borrowings	628,263	2,712,625	-	-
Trade payables	247,538	273,709	-	-
Other payables	7,513,897	6,095,203	517,532	239,805
Amount due to a subsidiary	-	-	114,768	-
	8,389,698	9,081,537	632,300	239,805

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing their credit, liquidity and market risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from trade and other receivables, fixed deposits with licensed banks, and cash and bank balances. The Company's exposure to credit risk arises principally from other receivables, amount due from subsidiaries, fixed deposits with licensed banks, and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiaries. It also provides financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position as at the reporting date represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities to certain subsidiaries.

There are no significant changes as compared to previous financial reporting period.

Credit risk concentration

The Group has no significant concentration of credit risk as their exposure spread over a large number of customers.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2026					
<u>Non-derivative financial liabilities</u>					
Term loans	37,080	183,654	721,202	941,936	628,263
Lease liabilities	4,814,856	17,697,561	26,247,456	48,759,873	39,112,036
Trade payables	247,538	-	-	247,538	247,538
Other payables	7,513,897	-	-	7,513,897	7,513,897
	12,613,371	17,881,215	26,968,658	57,463,244	47,501,734
2025					
<u>Non-derivative financial liabilities</u>					
Term loans	18,912	75,648	336,132	430,692	268,625
Bankers' acceptance	2,444,000	-	-	2,444,000	2,444,000
Lease liabilities	4,551,372	18,264,879	29,262,156	52,078,407	40,982,666
Trade payables	273,709	-	-	273,709	273,709
Other payables	6,095,203	-	-	6,095,203	6,095,203
	13,383,196	18,340,527	29,598,288	61,322,011	50,064,203

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
2026					
<u>Non-derivative financial liabilities</u>					
Other payables	517,532	-	-	517,532	517,532
Amount due to a subsidiary	114,768	-	-	114,768	114,768
	632,300	-	-	632,300	632,300
Financial guarantee*	52,289,099	-	-	52,289,099	-
2025					
<u>Non-derivative financial liabilities</u>					
Other payables	239,805	-	-	239,805	239,805
Financial guarantee*	59,028,880	-	-	59,028,880	-

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides financial guarantee to banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily USD and RMB.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in		
	USD RM	RMB RM	Total RM
Group			
2026			
Cash and bank balances	30,377	80,854	111,231
Trade payables	-	(27,796)	(27,796)
Other payables	-	(5,091,800)	(5,091,800)
Net exposure	30,377	(5,038,742)	(5,008,365)
2025			
Cash and bank balances	27,233	433,113	460,346
Trade payables	-	(73,601)	(73,601)
Other payables	-	(1,068,945)	(1,068,945)
Net exposure	27,233	(709,433)	(682,200)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and RMB exchange rates against RM, with all other variables held constant.

		Effect on profit before tax	
		2026 RM	2025 RM
Change in currency rate			
Group			
USD	Strengthened 1% (2025: 1%)	304	272
	Weakened 1% (2025: 1%)	(304)	(272)
RMB	Strengthened 1% (2025: 1%)	(50,387)	(7,094)
	Weakened 1% (2025: 1%)	50,387	7,094

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage their interest rate risk of their fixed deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fixed rate instruments				
<u>Financial asset</u>				
Fixed deposits with licensed banks	-	26,251,231	-	24,694,995
<u>Financial liabilities</u>				
Bankers' acceptance	-	(2,444,000)	-	-
Lease liabilities	(39,112,036)	(40,982,666)	-	-
	(39,112,036)	(43,426,666)	-	-
Net financial (liabilities)/asset	(39,112,036)	(17,175,435)	-	24,694,995
Floating rate instrument				
<u>Financial liability</u>				
Term loans	(628,263)	(268,625)	-	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for floating rate instrument

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM6,283 (2025: RM2,686) arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, and cash and cash equivalents and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The Group entered into forward exchange contracts to manage its exposure to sales and purchase transactions that are denominated in RMB. The fair value of the foreign currency forward contracts has not been recognised in the financial statements as it is immaterial as at the end of the reporting date. The notional value of foreign currency forward contracts as at the end of the reporting year is as follows:

	Group	
	2026 RM	2025 RM
Foreign currency hedging contracts		
Notional value of contracts *	-	185,887

* *Equivalents to RMB Nil (2025: RMB314,157)*

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial year.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Notes to the Financial Statements

30 June 2026

34. Financial instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

The following table summarises the methods used in determining the fair value of financial asset on a recurring basis at 30 June 2026 and 30 June 2025:

	Group and Company	
	2026 RM	2025 RM
Fair value of financial instrument carried at FVTPL		
Level 2		
<u>Financial asset</u>		
Other investment	32,855,265	15,140,642

35. Capital management

The Group and the Company consider their total equity and total interest-bearing debts to be the key components of their capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Loans and borrowings	19	628,263	2,712,625	-	-
Lease liabilities	20	39,112,036	40,982,666	-	-
Total interest-bearing debts		39,740,299	43,695,291	-	-
Total equity		163,185,102	143,134,940	95,794,007	97,908,816
Debt-to-equity (times)		0.24	0.31	-	-

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any external imposed capital requirements.

Notes to the Financial Statements

30 June 2026

36. Subsequent events after the reporting period

- (a) On 17 July 2026, Alliance Islamic Bank Berhad had on behalf of the Board of Directors, announced that the Securities Commission Malaysia vide its letter dated on 16 July 2026, approved the proposed transfer listing from ACE Market to Main Market under Section 214(1) of the Main Market and Capital Market and Service Act 2007.

On 28 August 2026, the listing of and quotation for the entire issued share capital of the Company has been transferred from the ACE Market to the Main Market of Bursa Securities.

- (b) On 11 August 2026, the Company had through its wholly owned subsidiary, SSB, incorporated and subscribed 100% of equity interest in Bathplus Sdn. Bhd., comprising 100 ordinary shares for a total cash consideration of RM100.
- (c) On 26 August 2026, the Company had declared interim single tier dividend of RM0.005 per ordinary share in respect of the financial year ending 30 June 2027 amounting to RM4,300,000 and payable on 25 September 2026.
- (d) On 27 August 2026, the Company had incorporated and subscribed 100% of equity interest in Sorento Appliances Sdn. Bhd., comprising 100 ordinary shares for a total cash consideration of RM100.

37. Date of authorisation for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 October 2026.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM)	2025 (RM)
Revenue		183,884,738	179,167,202
Other income		2,534,716	2,385,532
Total		186,419,454	181,552,734
Total Assets		212,345,208	195,851,116

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM)	2025 (RM)
Interest income		208,149	171,790
Total		208,149	171,790

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash at bank (exclude cash in hand)		32,404,761	1,555,175
Deposits with licensed bank		-	24,695,995
Unit trust funds		32,855,265	15,140,642
Total		65,260,026	41,391,812

Conventional Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Other cash equivalents	Cash in hand	7,553	11,489
Cash at bank (exclude cash in hand)		10,960,381	15,439,750
Deposits with licensed bank		-	1,555,236
Total		10,967,934	17,006,475

Disclosure of Financial Data for Shariah Screening

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
N/A		N/A	N/A
Non-Current			
N/A		N/A	N/A
Total		N/A	N/A

Conventional Borrowing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
Term loans		15,102	6,911
Banker's acceptances		-	2,444,000
Hire purchase payables		864,203	762,862
Non-Current			
Term loans		613,161	261,714
Hire purchase payables		2,098,927	2,477,016
Total		3,591,393	5,952,503

Analysis of Shareholdings

As at 1 October 2026

Total Number of Issued Shares : 860,000,000 ordinary shares
Class of Equity Securities : Ordinary shares ("Shares")
Voting Rights : One (1) vote for every ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 Shares	7	0.69	90	*
100 - 1,000 Shares	326	32.28	184,810	0.02
1,001 - 10,000 Shares	348	34.46	1,839,900	0.21
10,001 - 100,000 Shares	209	20.69	7,718,500	0.90
100,001 – less than 5% of issued Shares	119	11.78	334,256,700	38.87
5% and above of issued Shares	1	0.10	516,000,000	60.00
Total	1,010	100.00	860,000,000	100.00

* Negligible

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Haji Ahmad Zakie Bin Haji Ahmad Shariff	150,000	0.02	-	-
Loo Chai Lai	66,884,187	7.78	556,016,370 ¹	64.65
Loo Jing Kai	20,000,000	2.33	-	-
Lee Chee Keong	8,899,443	1.03	-	-
Christine Toh Hung Mei	250,000	0.03	-	-
Teh Lay Sim	250,000	0.03	-	-
Yeat Soo Ching	250,000	0.03	-	-

Note:

¹ Deemed interested by virtue of his direct shareholdings in LCL Success Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 and his children, Loo Jing Kai, Loo Jing Shun and Loo Jing Yuan's interest in the Company.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
LCL Success Sdn. Bhd.	516,000,000	60.00	-	-
Loo Chai Lai	66,884,187	7.78	556,016,370 ¹	64.65

Note:

¹ Deemed interested by virtue of his direct shareholdings in LCL Success Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 and his children, Loo Jing Kai, Loo Jing Shun and Loo Jing Yuan's interest in the Company.

Analysis of Shareholdings

As at 1 October 2026

THIRTY LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares	%
1.	LCL Success Sdn. Bhd.	516,000,000	60.00
2.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Exempt An For Kenanga Investors Berhad (Clients Trust Account-i)</i>	34,883,600	4.06
3.	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account - AmBank (M) Berhad For Loo Chai Lai (Smart)</i>	32,000,000	3.72
4.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An for Citibank New York (Norges Bank 22)</i>	24,550,000	2.85
5.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Koh Poh Seng (E-KLC)</i>	23,894,800	2.78
6.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Loo Chai Lai (7005187)</i>	21,884,187	2.54
7.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Loo Jing Kai (3031018)</i>	20,000,000	2.33
8.	Chew Guan Teck	14,938,000	1.74
9.	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account - AmBank (M) Berhad For Liew Foo Heen (Smart)</i>	13,823,400	1.61
10.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Loo Chai Lai</i>	13,000,000	1.51
11.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Kenanga Investors Berhad For Malaysian Rubber Council</i>	11,628,000	1.35
12.	Loo Jing Shun	10,700,000	1.24
13.	Loo Jing Yuan	9,216,370	1.07
14.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Chee Keong (7017211)</i>	8,899,443	1.03
15.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kang Ket Hung</i>	8,657,000	1.01
16.	BIMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Low Peng Sian @ Chua Peng Sian (MGNM88999)</i>	5,044,600	0.59
17.	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account - AmBank (M) Berhad For Ng Ah Chai (Smart)</i>	4,930,900	0.57
18.	Oui Yew Wah	4,690,600	0.55
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Kang Ket Hung (3011578)</i>	3,931,300	0.46
20.	Hong Chee Leong	3,552,000	0.41
21.	CIMB Group Nominees (Asing) Sdn. Bhd. <i>Exempt An For DBS Bank Ltd (SFS)</i>	3,466,000	0.40
22.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Gan Boon Tian</i>	2,731,800	0.32
23.	Loo Ai Cheng	2,702,700	0.31
24.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Kang Ah Hin (7000989)</i>	2,700,000	0.31
25.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Kai Kai (MF00586)</i>	2,595,700	0.30
26.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Low Peng Sian @ Chua Peng Sian (MY4520)</i>	2,300,000	0.27
27.	KPS Consortium Berhad	2,295,000	0.27
28.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Huat Hing Resources Sdn. Bhd.</i>	2,159,400	0.25
29.	M & A Nominee (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Low Peng Sian @ Chua Peng Sian (M&A)</i>	2,072,600	0.24
30.	Tan Gine Ngee	2,000,000	0.23

List of Properties

Address of Property	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/Age of Building	Date of Acquisition	Net Book Value as at 30 June 2026 (RM)
Lot 12, Armani Business Park, 2, Kg Lokub Permai, 88450 Kota Kinabalu, Sabah	*2-Storey semi- detached industrial factory/Vacant	8,138 sq ft / 5,251 sq ft	Leasehold/ 73 years (until 31 December 2098)	16 Jun 2025	136,000
A-40-07, Storey No.40, Building No. Tower A, Muze @ PICC, 8, Persiaran Mahsuri, Sungai Nibong Kecil, 11950 Bayan Lepas, Pulau Pinang	Condominium/ Vacant	Not Applicable / 1,076 sq ft	Freehold	30 Apr 2025	914,852
Parcel No. B-50-10, Storey No. 50, Building No. Tower B (The Wyn Residences)	**Service apartment/ Vacant	Not Applicable / 700 sq ft	Leasehold/ 71 years (until 4 May 2096)	25 Mar 2025	250,005

Notes:

* Certificate of Practical Completion ("CPC") was obtained on 31 October 2025. Vacant possession from the local authority was obtained on 1 July 2026.

** Construction in progress

Notice of the Third Annual General Meeting (“3rd AGM”)

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting (“3rd AGM” or “Meeting”) of Sorento Capital Berhad (“Sorento Capital” or “the Company”) will be held at No. 5, Jalan Astana 2/KU2, Bandar Bukit Raja, 41050 Klang, Selangor, Malaysia on Thursday, 10 December 2026 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses, with or without any modifications:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees and/or benefits of up to RM284,000.00 for the period from the date immediately after the 3rd AGM until the date of the next Annual General Meeting (“AGM”) of the Company. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company’s Constitution:
 - (i) Mr. Loo Jing Kai *(Ordinary Resolution 2)*
 - (ii) Ms. Christine Toh Hung Mei *(Ordinary Resolution 3)*
4. To re-appoint TGS TW PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 4)*

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without modifications, the following resolution:

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)** *(Ordinary Resolution 5)*

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point in time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

AND THAT the new Shares to be issued pursuant to the Mandate shall, upon issuance and allotment, rank pari passu in all respects with the existing Shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment of such new Shares.”

Notice of the Third Annual General Meeting (“3rd AGM”)

6. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (CCM PC NO.: 201908001272)
LOO HUI YAN (MAICSA 7069314) (CCM PC NO.: 202308000290)
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
 29 October 2026

Notes:

- (a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 65(b) of the Company’s Constitution to issue a General Meeting Record of Depositors as at 3 December 2026. Only members whose names appear in the General Meeting Record of Depositors as at 3 December 2026 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.
- (g) To be valid, the instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:
 - (i) In hard copy form:
 In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic means via email:
 In the case of an appointment made via email, the proxy form must be received via email at is.enquiry@vistra.com.

 For option (ii), the Company will require the member to deposit the original executed proxy form as in (i) above no later than Tuesday, 8 December 2026 at 10:00 a.m. for verification purposes.
 - (iii) Via Online:
 In the case of an appointment made via an online lodgement facility, please log in to the Share Registrar’s website at <https://srmy.vistra.com> and follow the steps outlined in the Administrative Notes for registering on the Share Registry and IPO (MY) portal and submitting your proxy form electronically.

Notice of the Third Annual General Meeting (“3rd AGM”)

- (h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.
- (i) Please refer to the Administrative Notes for the registration process for the Meeting.
- (j) Kindly check Bursa Malaysia Securities Berhad’s and the Company’s website at www.sorentocapital.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES:

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2026

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors’ Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the directors’ fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors’ fees and/or benefits for the period from the date immediately after the 3rd AGM until the date of the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 91 of the Company’s Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of seven (7) Directors of the Company are to retire in accordance with Clause 91 of the Company’s Constitution.

Mr. Loo Jing Kai and Ms. Christine Toh Hung Mei (“Retiring Directors”) will retire by rotation pursuant to Clause 91 of the Company’s Constitution. The Retiring Directors, being eligible, have offered themselves for re-election at the Meeting.

The Board has endorsed the Nomination Committee’s recommendation to seek the shareholders’ approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board’s effectiveness and value. The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Board of Directors’ Profile contained in the Company’s Annual Report 2026.

4. Item 4 of the Agenda – Re-appointment of Auditors

The Audit and Risk Management Committee (“ARMC”) has undertaken an annual assessment of the suitability, effectiveness, and independence of TGS TW PLT as Auditors. Based on the outcome of the assessment, the ARMC is satisfied that TGS TW PLT has maintained its independence and has performed its duties effectively. Accordingly, the ARMC recommended to the Board that TGS TW PLT be re-appointed as the Auditors of the Company.

The Board has endorsed the ARMC’s recommendation and will seek the shareholders’ approval for the re-appointment of TGS TW PLT as Auditors for the financial year ending 30 June 2027, and to hold office until the conclusion of the next AGM.

Notice of the Third Annual General Meeting (“3rd AGM”)

5. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 5 proposed under item 5 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotments of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its 2nd AGM held on 9 December 2025, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate granted to the Directors at the 2nd AGM, which will lapse at the conclusion of the Meeting, and accordingly, no proceeds were raised.

Administrative Notes For The Third Annual General Meeting (“3rd AGM”)

Sorento
CAPITAL BERHAD

202301018305 (1512227-W)
(Incorporated in Malaysia)

Day and Date : Thursday, 10 December 2026

Time : 10:00 a.m. or at any adjournment thereof

Venue : No. 5, Jalan Astana 2/KU2, Bandar Bukit Raja, 41050 Klang, Selangor, Malaysia

REGISTRATION ON THE DAY OF THE MEETING

1. The registration counter will open at 9:00 a.m. on Thursday, 10 December 2026 and will remain open until the conclusion of the Meeting or such time as may be determined by the Chairman of the Meeting.
2. Please produce your ORIGINAL MyKad or Passport (for foreign shareholders) during registration for verification. Only the original MyKad or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original MyKad or Passport of that other shareholder/proxy. Please make sure you collect your MyKad or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.

CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of a proxy must deposit their original or duly certified appointment of corporate representative to Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) on or before the Meeting.

APPOINTMENT OF PROXY

1. Only members whose names appear on the Record of Depositors as at 3 December 2026 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. Members can appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the proxy form.
3. If you wish to participate in the Meeting yourself, please do not submit any proxy form for the Meeting. You will not be allowed to participate in the Meeting together with a proxy appointed by you.

Administrative Notes For The Third Annual General Meeting (“3rd AGM”)

4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney for the Meeting whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the Meeting or not later than Tuesday, 8 December 2026 at 10:00 a.m.:

(i) In hard copy form:

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

(ii) By electronic means:

In the case of an appointment made via email, the proxy form must be received via email at is.enquiry@vistra.com.

For option (ii), the Company will require the member to deposit the original executed proxy form as in (i) above no later than Tuesday, 8 December 2026 at 10:00 a.m. for verification purposes.

(iii) Via online:

In the case of an appointment made via an online lodgement facility, please log in to the Share Registrar's website at <https://srmy.vistra.com> and follow the steps outlined below for registering on the Share Registry and IPO (MY) portal and submitting your proxy form electronically:

Procedure	Action
i. Steps for Individual Shareholders	
a. Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.</i></p>
b. Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, log in with your email address and password. 2. Select the corporate event: “SORENTO CAPITAL BERHAD 3rd AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

Administrative Notes For The Third Annual General Meeting (“3rd AGM”)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
a. Register as a User at the Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Vistra if you need clarification on the user registration.</i></p>
b. Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. Log in to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “SORENTO CAPITAL BERHAD 3rd AGM”. 3. Navigate to the icon “>” at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

VOTING AT MEETING

1. The voting at the Meeting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company has appointed Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) as Poll Administrator to conduct poll voting.
2. Upon completion of the voting session for the Meeting, the scrutineer will verify the poll results for the announcement by the Chairman, followed by the Chairman’s declaration whether the resolutions are carried.

NO RECORDING OR PHOTOGRAPHY

By participating in the Meeting, you agree that no part of the Meeting proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means, whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal action against anyone who violates this rule.

DOOR GIFTS

There will be no door gifts for attending the Meeting.

Administrative Notes For The Third Annual General Meeting (“3rd AGM”)

ENQUIRY

If you have any enquiry prior to the Meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays).

Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)		
Telephone Number	General Line	03-2783 9299
Contact Person	Muhammad Ashraff Bin Mohd Khaizan	603-2783 9276 muhammad.ashraff@vistra.com
	Low Cheng Chuan	603-2783 9278 cheng.chuan.low@vistra.com
Email	is.enquiry@vistra.com	

The Company may, at its discretion, make any changes to the above arrangements in the event of unforeseen circumstances.

Proxy Form

(Before completing this form please refer to the notes below)

Sorento

CAPITAL BERHAD

202301018305 (1512227-W)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in block)

of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **SORENTO CAPITAL BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/ or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Third Annual General Meeting of the Company ("3rd AGM" or "Meeting") to be held at No. 5, Jalan Astana 2/KU2, Bandar Bukit Raja, 41050 Klang, Selangor, Malaysia on Thursday, 10 December 2026 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM284,000.00 for the period from the date immediately after the 3 rd AGM until the date of the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Loo Jing Kai as a Director of the Company.		
3.	To re-elect Ms. Christine Toh Hung Mei as a Director of the Company.		
4.	To re-appoint TGS TW PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

* delete whichever is not applicable

Dated this _____ day of _____ 2026

Signature of Member(s) / Common Seal

Notes:

- (a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 65(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 3 December 2026. Only members whose names appear in the General Meeting Record of Depositors as at 3 December 2026 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.

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AFFIX
STAMP

The Share Registrar
SORENTO CAPITAL BERHAD

c/o Vistra Investor & Issuing House Services Sdn. Bhd.
(formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)
Unit 32- 01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan

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- (g) To be valid, the instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:
 - (i) In hard copy form:
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic means via email:
In the case of an appointment made via email, the proxy form must be received via email at is.enquiry@vistra.com.
For option (ii), the Company will require the member to deposit the original executed proxy form as in (i) above no later than Tuesday, 8 December 2026 at 10:00 a.m. for verification purposes.
 - (iii) Via Online:
In the case of an appointment made via an online lodgement facility, please log in to the Share Registrar's website at <https://srmy.vistra.com> and follow the steps outlined in the Administrative Notes for registering on the Share Registry and IPO (MY) portal and submitting your proxy form electronically.
- (h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.
- (i) Please refer to the Administrative Notes for the registration process for the Meeting.
- (j) Kindly check Bursa Malaysia Securities Berhad's and the Company's website at www.sorentocapital.com for the latest updates on the status of the Meeting.

www.sorentocapital.com

Sorento Capital Berhad
(Registration No.: 202301018305 (1512227-W))

No. 5, Jalan Astana 2/KU2
Bandar Bukit Raja
41050 Klang
Selangor Darul Ehsan

Telephone No. : (03) 3082 9288
Email : sorento@sorento.com.my