



SORENTO CAPITAL BERHAD

*(Registration No.: 202301018305 (1512227-W))
(Incorporated in Malaysia under the Companies Act 2016)*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2024

SORENTO CAPITAL BERHAD

(Registration No.: 202301018305 (1512227-W))
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2024 RM'000	31.12.2023 ⁽²⁾ RM'000	31.12.2024 RM'000	31.12.2023 ⁽²⁾ RM'000
Revenue	49,705	N/A	94,754	N/A
Cost of sales	(29,041)	N/A	(55,669)	N/A
Gross profit	20,664	N/A	39,085	N/A
Other income	457	N/A	510	N/A
Administrative expenses ⁽³⁾	(8,391)	N/A	(16,453)	N/A
Selling and distribution expenses	(2,495)	N/A	(4,963)	N/A
Net gain on impairment of financial assets	2	N/A	9	N/A
Profit from operations	10,237	N/A	18,188	N/A
Finance costs	(466)	N/A	(1,106)	N/A
Profit before tax	9,771	N/A	17,082	N/A
Taxation	(2,762)	N/A	(5,056)	N/A
Profit after tax	7,009	N/A	12,026	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the financial period	7,009	N/A	12,026	N/A
Total comprehensive income for the financial period attributable to:				
Owners of the Company	7,009	N/A	12,026	N/A
Non-controlling interest	-	N/A	-	N/A
	7,009	N/A	12,026	N/A
Basic earnings per share (sen) ⁽⁴⁾	1.23	N/A	2.10	N/A
Diluted earnings per share (sen) ⁽⁵⁾	1.23	N/A	2.10	N/A

Notes:

N/A Not applicable.

(1) The basis of preparation of the unaudited condensed consolidated statement of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of Sorento Capital Berhad ("Sorento Capital" or the "Company") dated 7 October 2024 in relation to its initial public offering ("IPO") ("Prospectus") and the accompanying explanatory notes attached to this interim financial report.

(2) This is the second interim financial report announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) ⁽¹⁾

- (3) Administrative expenses included non-recurring listing expenses of RM1.02 million and RM3.13 million in the individual and cumulative quarter ended 31 December 2024 respectively. For illustration purpose only, the Group's financial performance after adjusting for the non-recurring listing expenses is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 RM'000
Profit before tax	9,771	N/A	17,082	N/A
Add: Listing expenses	1,017	N/A	3,131	N/A
Adjusted profit before tax	10,788	N/A	20,213	N/A

- (4) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares of 572,011,136 in issue as at the end of the financial period.
- (5) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible securities at the end of the reporting period.

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SORENTO CAPITAL BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	UNAUDITED 31.12.2024 RM'000	AUDITED 30.06.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,449	48,754
Investment properties	353	724
Intangible asset	1,619	1,762
Deferred tax assets	47	47
	<u>50,468</u>	<u>51,287</u>
Current assets		
Inventories	33,272	29,277
Trade receivables	42,931	38,153
Other receivables	10,011	8,626
Tax recoverable	2,071	2,597
Fixed deposits with licensed banks	1,529	3,624
Cash and bank balances	58,100	8,560
	<u>147,914</u>	<u>90,837</u>
TOTAL ASSETS	<u>198,382</u>	<u>142,124</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	97,767	1
Invested equity	-	381
Merger deficit	(41,919)	-
Retained earnings	77,376	65,350
TOTAL EQUITY	<u>133,224</u>	<u>65,732</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	2,506	2,544
Lease liabilities	38,628	39,201
Deferred tax liabilities	200	200
	<u>41,334</u>	<u>41,945</u>
Current liabilities		
Loans and borrowings	8,904	14,768
Lease liabilities	2,729	2,516
Trade payables	275	3,007
Other payables	9,730	12,803
Tax payable	2,186	1,353
	<u>23,824</u>	<u>34,447</u>
TOTAL LIABILITIES	<u>65,158</u>	<u>76,392</u>
TOTAL EQUITY AND LIABILITIES	<u>198,382</u>	<u>142,124</u>
Net assets per share (RM) ⁽²⁾	<u>0.15</u>	<u>0.08</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated statement of financial position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Computed based on total equity attributable to owners of the Company divided by 860,000,000 shares in issue as at 31 December 2024.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	SHARE CAPITAL RM'000	INVESTED EQUITY RM'000	MERGER DEFICIT RM'000	RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
At 1 July 2024 (Audited)	1	381	-	65,350	65,732
Total comprehensive income for the financial period	-	-	-	12,026	12,026
Transaction with owners:					
- Issuance of shares	57,350	-	-	-	57,350
- Share issuance expense	(1,884)	-	-	-	(1,884)
- Effect of restructuring exercise	42,300	(381)	(41,919)	-	-
At 31 December 2024 (Unaudited)	<u>97,767</u>	<u>-</u>	<u>(41,919)</u>	<u>77,376</u>	<u>133,224</u>

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

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SORENTO CAPITAL BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CUMULATIVE QUARTER	
	31.12.2024 RM'000	31.12.2023 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	17,082	N/A
Adjustments for:		
Depreciation of property, plant and equipment	2,203	N/A
Gain on disposal of property, plant and equipment	(11)	N/A
Depreciation of investment properties	6	N/A
Gain on disposal of investment properties	(30)	N/A
Amortisation of intangible asset	143	N/A
Interest expenses	1,106	N/A
Interest income	(42)	N/A
Reversal of expected credit losses ("ECLs") on trade receivables	(9)	N/A
Unrealised loss on foreign exchange	6	N/A
Operating profit before working capital changes	20,454	N/A
Changes in working capital:		
Inventories	(3,995)	N/A
Receivables	(6,151)	N/A
Payables	(2,808)	N/A
Cash generated from operations	7,500	N/A
Interest received	15	N/A
Tax paid	(3,697)	N/A
Net cash from operating activities	3,818	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(919)	N/A
Proceed from disposal of property, plant and equipment	37	N/A
Proceed from disposal of investment properties	395	N/A
Interest received	27	N/A
Net cash used in investing activities	(460)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,999)	N/A
Interest paid	(1,110)	N/A
Repayment of term loans	(36)	N/A
Drawdown of bankers' acceptance	6,765	N/A
Repayment of bankers' acceptance	(16,580)	N/A
Drawdown of invoice financing	7,068	N/A
Repayment of invoice financing	(3,119)	N/A
Repayment of lease liabilities	(1,365)	N/A
Proceed from issuance of share capital	57,350	N/A
Payment of listing expense	(1,884)	N/A
Net cash from financing activities	44,090	N/A
NET CHANGES IN CASH AND CASH EQUIVALENTS	47,448	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		
	12,184	N/A
Effect of exchange translation differences on cash and cash equivalents	(3)	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	59,629	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) ⁽¹⁾

	CUMULATIVE QUARTER	
	31.12.2024	31.12.2023 ⁽²⁾
	RM'000	RM'000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		
COMPRISES:		
Cash and bank balances	58,100	N/A
Fixed deposits with licensed banks	1,529	N/A
	<u>59,629</u>	<u>N/A</u>

Notes:

N/A Not applicable.

- (1) The basis of preparation of the unaudited condensed consolidated statement of cash flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding quarter as there is no interim financial report prepared for the comparative period concerned.

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SORENTO CAPITAL BERHAD

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of Sorento Capital and its subsidiaries (the “Group”) is unaudited and has been prepared in accordance with the requirements of the MFRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements.

This is the second interim financial report on the Group’s unaudited condensed consolidated financial results for the second quarter ended 31 December 2024 announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2. Material accounting policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus, save for the following:

MFRSs and amendments to MFRSs in issue and effective

The Group has adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Clarification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure – Supplier Finance Arrangements*

MFRSs and amendments to MFRSs in issue but not yet effective

The Group has not adopted the following MFRSs and amendments to MFRSs effective for financial periods beginning on or after the following:

		Effective for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A2. Material accounting policies (Cont'd)

		Effective for financial periods beginning on or after
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
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 will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

A3. Auditors' report on preceding annual financial statements

There was no qualification on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2024.

A4. Seasonal or cyclical factors

The Group's business operations were not affected by any seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

A6. Material changes in estimates

There were no material changes in estimates which have a material effect on the results for the financial quarter under review.

A7. Debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A8. Dividend paid

A total interim dividend for the financial year ended 30 June 2024 amounting to RM2.999 million was paid to the owners of the combining entities on 5 July 2024, 26 July 2024 and 21 August 2024.

Save for the above, there were no other dividends paid during the current quarter and financial period to date.

A9. Segment information

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely marketing, distribution and sale of bathroom and kitchen sanitary wares.

A10. Valuation of property, plant and equipment, and investment properties

There was no valuation of property, plant and equipment, and investment properties undertaken during the financial quarter under review.

A11. Material events subsequent to the end of the interim financial period

There were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

A13. Fair value of financial instruments

There were no gain or loss arising from fair value changes of the Group's financial assets and liabilities for the financial quarter under review.

A14. Capital commitments

The Group has made commitments for the capital expenditure of property, plant and equipment of RM1.16 million as at 31 December 2024.

A15. Contingent assets and contingent liabilities

There were no material contingent assets or contingent liabilities as at the end of the financial quarter under review.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A16. Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000
Transactions with related parties				
Sales of goods	54	N/A	120	N/A
Rental paid to	900	N/A	1,800	N/A
Acquisition of property, plant and equipment from	-	N/A	1	N/A
Upkeep of warehouse paid to	*	N/A	*	N/A

Notes:

* Amount less than RM1,000.

N/A Not applicable.

(1) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000
Revenue	49,705	N/A	94,754	N/A
Gross profit	20,664	N/A	39,085	N/A
Profit before tax	9,771	N/A	17,082	N/A
Profit after tax	7,009	N/A	12,026	N/A

Notes:

N/A Not applicable.

(1) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.

The Group recorded revenue of RM49.71 million for the current financial quarter ended 31 December 2024, mainly derived from the sales to dealers which contributed RM33.35 million or 67.09% to the Group's revenue, followed by the project-based sales of RM16.01 million or 32.21%.

The Group registered gross profit of RM20.66 million with gross profit margin of 41.57%, profit before tax ("PBT") of RM9.77 million with PBT margin of 19.66% and profit after tax ("PAT") of RM7.01 million with PAT margin of 14.10%.

For the current quarter under review, if the expenses incurred for the listing of RM1.02 million were excluded, the Group would have recorded an adjusted PBT of RM10.79 million with adjusted PBT margin of 21.71%. Correspondingly, the Group's adjusted PAT for the current quarter is RM8.03 million with PAT margin of 16.15%.

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

B2. Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		VARIANCE	
	CURRENT QUARTER	PRECEDING QUARTER		
	31.12.2024	30.09.2024		
	RM'000	RM'000	RM'000	%
Revenue	49,705	45,049	4,656	10.34
Gross Profit	20,664	18,421	2,243	12.18
PBT	9,771	7,311	2,460	33.65
PAT	7,009	5,017	1,992	39.71

The Group recorded revenue of RM49.71 million for the current financial quarter which is 10.34% higher than the revenue of RM45.05 million recorded in the preceding financial quarter. The increase in revenue was mainly attributable to the increase in the number of dealers and continuous promotional marketing campaigns such as advertisement on billboards and social media. Sales promotion also contributed to the continued increase in market acceptance of the Group's brand and sales of the Group's bathroom and kitchen sanitary ware products.

Correspondingly, the gross profit increased by RM2.24 million or 12.18% to RM20.66 million mainly due to higher sales achieved during the financial quarter under review.

The Group's PBT has increased by RM2.46 million or 33.65% to RM9.77 million for the current quarter which was in line with the higher revenue recognised. PBT margin increased to 19.66% for the current financial quarter as compared to 16.23% in the preceding financial quarter. The Group's PAT also improved by RM1.99 million or 39.71% to RM7.01 million. The increase in both PBT and PAT was mainly due to the higher gross profit recorded for the current financial quarter.

B3. Prospects

According to the Real Estate and Housing Developers' Association (REHDA)'s survey, property developers are more optimistic about the property sector's outlook for the first half of 2025 compared with second half of 2024, driven by a relatively well-performing economy, stable inflation, appreciation of the ringgit, as well as influx of foreign investments which include the setting up of data centres.

With the improving property market outlook, the Group is well-positioned to benefit from increased demand for bathroom and kitchen wares as the Group's products have solid exposure in the property segment. The Group targets to strengthen its distribution network by recruiting approximately 200 new dealers over the next three years, which should expand its market reach and brand recognition in Malaysia, creating more business opportunities.

In addition, with continuous technological advancements transforming consumer lifestyles, people are becoming more sophisticated and design-conscious. They increasingly seek greater comfort, convenience, and modern aesthetics in their homes. As a result, the demand for home improvement, maintenance, and renovations is rising, driving sales of our bathroom and kitchen sanitary wares.

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

B3. Prospects (Cont'd)

The Group believes that its prospects in bathroom and kitchen sanitary wares industry are favourable taking into consideration the Group's competitive strengths and the positive industry outlook. Leveraging on the proceeds raised from the Group's IPO, the Group is confident that it will be able to execute its future plans and strategies as outlined in the Prospectus. The Group remains positive and optimistic about its prospects going forward.

B4. Profit forecast

The Group did not issue any profit forecast or guarantee during current financial quarter under review.

B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000
Current tax				
- for the financial period	2,762	N/A	5,056	N/A
Total	2,762	N/A	5,056	N/A
Effective tax rate (%)	28	N/A	30	N/A

Notes:

N/A Not applicable.

- (1) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.

The effective tax rate was higher than the statutory tax rate of 24% mainly due to:

- (i) non-deductible expenses including, amongst others, depreciation charges, amortisation, and unrealised foreign exchange; and
- (ii) non-recurring listing expenses of RM1.02 million which are not deductible for tax purposes.

B6. Status of corporate proposals

There are no corporate proposals announced but not completed as at the date of this interim financial report.

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

B7. Utilisation of proceeds raised from the public issue

The status of the utilisation of proceeds from the IPO as at 31 December 2024 is set out below:

DETAILS OF THE USE OF PROCEEDS	PROPOSED UTILISATION		ACTUAL UTILISATION	BALANCE UNUTILISED	ESTIMATED TIMEFRAME FOR UTILISATION
	RM'000	%	RM'000	RM'000	
Branding and promotional marketing	6,000	10.46	306	5,694	Within 36 months
Expansion of dealer network and enhancement of distribution reach	6,000	10.46	540	5,460	Within 36 months
Repayment of bank borrowings	9,000	15.69	6,673	2,327	Within 12 months
Working capital for purchase of inventories	31,350	54.67	18,129	13,221	Within 24 months
Estimated listing expenses	5,000	8.72	5,000	-	Within one month
Total	57,350	100.00	30,648	26,702	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

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

B8. Loans and borrowings

The Group's loans and borrowings are as follows:

	Unaudited 31.12.2024 RM'000	Audited 30.06.2024 RM'000
Non-current liabilities		
Secured		
Term loans	2,506	2,544
Lease liabilities ⁽¹⁾	1,980	415
	<u>4,486</u>	<u>2,959</u>
Current liabilities		
Secured		
Bankers' acceptance	4,621	14,436
Invoice financing	4,188	239
Term loans	95	93
Lease liabilities ⁽¹⁾	561	1,490
	<u>9,465</u>	<u>16,258</u>
	<u>13,951</u>	<u>19,217</u>

The loans and borrowings and other facilities are secured by way of:

- (a) Legal charge over the freehold land and building of the subsidiaries; and
- (b) Joint and several guarantees by certain Directors of the Group.

The loans and borrowings and other facilities are denoted in local currency.

Note:

- (1) Refers to finance lease liabilities under hire purchase contracts owing to financial institution.

B9. Material litigation

As at the date of this report, the Group is not engaged in any material litigation.

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

B10. Proposed dividend

On 27 February 2025, the Board has declared and approved an interim single-tier tax-exempt dividend of 0.50 sen per ordinary share in respect of the financial year ending 30 June 2025.

The entitlement date for the proposed dividend is 14 March 2025 and the payment date is 21 March 2025.

B11. Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000
Profit attributable to owners of the Company (RM'000)	7,009	N/A	12,026	N/A
Weighted average number of shares in issue ('000)	572,011	N/A	572,011	N/A
Basic earnings per share (sen) ⁽²⁾	1.23	N/A	2.10	N/A
Diluted earnings per share (sen) ⁽³⁾	1.23	N/A	2.10	N/A

Notes:

N/A Not applicable.

- (1) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.
- (2) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue as at the end of the financial period.
- (3) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible securities at the end of the reporting period.

SORENTO CAPITAL BERHAD

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

B12. Notes to the unaudited condensed consolidated statement of profit or loss and other comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023 ⁽¹⁾ RM'000
The following amounts have been included in arriving at profit before tax:				
Depreciation of property, plant and equipment	1,116	N/A	2,203	N/A
Depreciation of investment properties	2	N/A	6	N/A
Amortisation of intangible asset	72	N/A	143	N/A
Short-term leases	327	N/A	658	N/A
Unrealised (gain)/loss on foreign exchange	(100)	N/A	6	N/A
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and after crediting:

Gain on disposal of property, plant and equipment	23	N/A	11	N/A
Gain on disposal of investment properties	30	N/A	30	N/A
Interest income				
- Fixed deposits with licensed banks	14	N/A	27	N/A
- Cash and cash equivalents	10	N/A	15	N/A
Realised gain on foreign exchange	118	N/A	262	N/A
Reversal of ECLs on trade receivables	2	N/A	9	N/A
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Notes:

N/A Not applicable.

(1) This is the second interim financial report announced by the Company in compliance with the Listing Requirements. There are no comparative figures for the preceding year's corresponding individual and cumulative quarter as there is no interim financial report prepared for the comparative period concerned.

By Order of the Board

Date: 27 February 2025