



SORENTO CAPITAL BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

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 | |
|---|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | 30.06.2025 RM'000 | 30.06.2024 ⁽²⁾ RM'000 | 30.06.2025 RM'000 | 30.06.2024 ⁽²⁾ RM'000 |
| Revenue | 43,288 | N/A | 179,167 | N/A |
| Cost of sales | (23,647) | N/A | (101,998) | N/A |
| Gross profit | 19,641 | N/A | 77,169 | N/A |
| Other income | 1,363 | N/A | 2,385 | N/A |
| Administrative expenses ⁽³⁾ | (5,654) | N/A | (29,341) | N/A |
| Selling and distribution expenses | (3,946) | N/A | (11,994) | N/A |
| Other expenses | (13) | N/A | (131) | N/A |
| Net loss on impairment of financial assets | (149) | N/A | (140) | N/A |
| Profit from operations | 11,242 | N/A | 37,948 | N/A |
| Finance costs | (448) | N/A | (1,981) | N/A |
| Profit before tax | 10,794 | N/A | 35,967 | N/A |
| Taxation | (2,897) | N/A | (9,730) | N/A |
| Profit after tax | 7,897 | N/A | 26,237 | N/A |
| Other comprehensive income | - | N/A | - | N/A |
| Total comprehensive income for the financial period | 7,897 | N/A | 26,237 | N/A |
| Total comprehensive income for the financial period attributable to: | | | | |
| Owners of the Company | 7,897 | N/A | 26,237 | N/A |
| Non-controlling interest | - | N/A | - | N/A |
| | <u>7,897</u> | <u>N/A</u> | <u>26,237</u> | <u>N/A</u> |
| Basic earnings per share (sen) ⁽⁴⁾ | <u>1.10</u> | <u>N/A</u> | <u>3.67</u> | <u>N/A</u> |
| Diluted earnings per share (sen) ⁽⁵⁾ | <u>1.10</u> | <u>N/A</u> | <u>3.67</u> | <u>N/A</u> |

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 fourth 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.

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 (CONT'D) ⁽¹⁾

- (3) Administrative expenses included non-recurring listing expenses of approximately RM3.13 million for the cumulative financial quarter. 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 30.06.2025 RM'000 | Unaudited 30.06.2024 RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 RM'000 |
| Profit before tax | 10,794 | N/A | 35,967 | N/A |
| Add: Listing expenses | - | N/A | 3,131 | N/A |
| Adjusted profit before tax | 10,794 | N/A | 39,098 | N/A |

- (4) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares of 714,822,052 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.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

| | UNAUDITED 30.06.2025 RM'000 | AUDITED 30.06.2024 RM'000 |
|--|-----------------------------------|---------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 43,822 | 48,754 |
| Investment properties | 873 | 724 |
| Intangible asset | 1,476 | 1,762 |
| Deferred tax assets | 167 | 47 |
| | <u>46,338</u> | <u>51,287</u> |
| Current assets | | |
| Inventories | 32,063 | 29,277 |
| Trade receivables | 43,290 | 38,153 |
| Other receivables | 13,737 | 8,626 |
| Tax recoverable | 1,997 | 2,597 |
| Other investment | 15,141 | - |
| Fixed deposits with licensed banks | 26,251 | 3,624 |
| Cash and bank balances | 17,006 | 8,560 |
| | <u>149,485</u> | <u>90,837</u> |
| TOTAL ASSETS | <u>195,823</u> | <u>142,124</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 97,767 | 1 |
| Invested equity | - | 381 |
| Merger deficit | (41,919) | - |
| Retained earnings | 87,287 | 65,350 |
| TOTAL EQUITY | <u>143,135</u> | <u>65,732</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Loans and borrowings | 261 | 2,544 |
| Lease liabilities | 38,010 | 39,201 |
| Deferred tax liabilities | 186 | 200 |
| | <u>38,457</u> | <u>41,945</u> |
| Current liabilities | | |
| Loans and borrowings | 2,451 | 14,768 |
| Lease liabilities | 2,972 | 2,516 |
| Trade payables | 218 | 3,007 |
| Other payables | 7,034 | 12,803 |
| Tax payable | 1,556 | 1,353 |
| | <u>14,231</u> | <u>34,447</u> |
| TOTAL LIABILITIES | <u>52,688</u> | <u>76,392</u> |
| TOTAL EQUITY AND LIABILITIES | <u>195,823</u> | <u>142,124</u> |
| Net assets per share (RM) ⁽²⁾ | <u>0.17</u> | <u>0.08</u> |

SORENTO CAPITAL BERHAD

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

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 30 June 2025.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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 | - | - | - | 26,237 | 26,237 |
| Transactions 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) | - | - |
| - Dividend paid | - | - | - | (4,300) | (4,300) |
| At 30 June 2025 (Unaudited) | <u>97,767</u> | <u>-</u> | <u>(41,919)</u> | <u>87,287</u> | <u>143,135</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.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

| | CUMULATIVE QUARTER | |
|--|---------------------------|---------------------------------|
| | 30.06.2025 | 30.06.2024⁽²⁾ |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 35,967 | N/A |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 4,521 | N/A |
| Gain on disposal of property, plant and equipment | (827) | N/A |
| Property, plant and equipment written-off | 121 | N/A |
| Depreciation of investment properties | 10 | N/A |
| Gain on disposal of investment properties | (30) | N/A |
| Amortisation of intangible asset | 286 | N/A |
| Reversal of impairment losses on slow moving inventories | (8) | N/A |
| Interest expenses | 1,981 | N/A |
| Interest income | (742) | N/A |
| Dividend income | (139) | N/A |
| Net allowance for expected credit losses ("ECLs") on trade receivables | 140 | N/A |
| Unrealised loss on foreign exchange | 10 | N/A |
| Operating profit before working capital changes | 41,290 | N/A |
| Changes in working capital: | | |
| Inventories | (2,778) | N/A |
| Receivables | (6,481) | N/A |
| Payables | (5,571) | N/A |
| Cash generated from operations | 26,460 | N/A |
| Interest received | 292 | N/A |
| Tax paid | (9,061) | N/A |
| Net cash from operating activities | 17,691 | N/A |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (1,088) | N/A |
| Proceed from disposal of property, plant and equipment | 332 | N/A |
| Acquisition of investment properties | (524) | N/A |
| Proceed from disposal of investment properties | 395 | N/A |
| Placement of other investment | (15,141) | N/A |
| Placement of fixed deposits with maturity more than 3 months | (10,198) | N/A |
| Interest received | 450 | N/A |
| Dividend received | 139 | N/A |
| Net cash used in investing activities | (25,635) | N/A |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (7,299) | N/A |
| Interest paid | (1,985) | N/A |
| Repayment of term loans | (2,369) | N/A |
| Drawdown of bankers' acceptance | 9,209 | N/A |
| Repayment of bankers' acceptance | (21,201) | N/A |
| Drawdown of invoice financing | 7,068 | N/A |
| Repayment of invoice financing | (7,307) | N/A |
| Repayment of lease liabilities | (2,768) | N/A |
| Proceed from issuance of share capital, net of share issuance expenses | 55,466 | N/A |
| Net cash from financing activities | 28,814 | N/A |

SORENTO CAPITAL BERHAD

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

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

| | CUMULATIVE QUARTER | |
|--|--------------------|---------------------------|
| | 30.06.2025 | 30.06.2024 ⁽²⁾ |
| | RM'000 | RM'000 |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | 20,870 | 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 | 5 | N/A |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | <u>33,059</u> | <u>N/A</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISES: | | |
| Cash and bank balances | 17,006 | N/A |
| Fixed deposits with licensed banks | 26,251 | N/A |
| | <u>43,257</u> | <u>N/A</u> |
| Less: Fixed deposits with maturity more than 3 months | (10,198) | N/A |
| | <u>33,059</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 fourth 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.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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 fourth interim financial report on the Group’s unaudited condensed consolidated financial results for the fourth quarter ended 30 June 2025 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 – Classification 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*

SORENTO CAPITAL BERHAD

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

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

A2. Material accounting policies (Cont'd)

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 |
| 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 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.

SORENTO CAPITAL BERHAD

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

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

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.

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.

An interim single-tier tax-exempt dividend of 0.50 sen per ordinary share amounting to approximately RM4.30 million in respect of the financial year ended 30 June 2025 was declared on 27 February 2025 and paid on 21 March 2025 to shareholders whose names appeared in the Record of Depositors at the close of business on 14 March 2025.

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.

SORENTO CAPITAL BERHAD

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

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

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's capital expenditure commitments for property, plant and equipment and investment properties are set out below:

| | Unaudited 30.06.2025 RM'000 | Audited 30.06.2024 RM'000 |
|--------------------------------|--|--|
| Capital expenditure | | |
| Authorised and contracted for: | | |
| - Motor vehicles | - | 1,812 |
| - Software development | 130 | 130 |
| - Investment properties | 4,706 | - |
| Total | 4,836 | 1,942 |

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.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 |
| Transactions with related parties | | | | |
| Sales of goods | 5 | N/A | 167 | N/A |
| Purchase of hardware for product maintenance | - | N/A | * | N/A |
| Rental paid to | 900 | N/A | 3,600 | N/A |
| Acquisition of property, plant and equipment from | - | N/A | 1 | N/A |
| Upkeep of warehouse paid to | * | N/A | 1 | N/A |

Notes:

* Amount less than RM1,000.

N/A Not applicable.

(1) This is the fourth 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 rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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

B1. Review of performance

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------|-----------------------------------|--|-----------------------------------|--|
| | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 |
| Revenue | 43,288 | N/A | 179,167 | N/A |
| Gross profit | 19,641 | N/A | 77,169 | N/A |
| Profit before tax ("PBT") | 10,794 | N/A | 35,967 | N/A |
| Profit after tax ("PAT") | 7,897 | N/A | 26,237 | N/A |

Notes:

N/A Not applicable.

- (1) This is the fourth 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 RM43.29 million for the current financial quarter ended 30 June 2025, mainly derived from the sales to dealers which contributed RM26.66 million or 61.58% to the Group's revenue, followed by the project-based sales of RM16.25 million or 37.54%.

The Group registered gross profit of RM19.64 million with gross profit margin of 45.37%, PBT of RM10.79 million with PBT margin of 24.92% and PAT of RM7.90 million with PAT margin of 18.25%.

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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 30.06.2025 RM'000 | PRECEDING QUARTER 31.03.2025 RM'000 | RM'000 | % |
| Revenue | 43,288 | 41,125 | 2,163 | 5.26 |
| Gross Profit | 19,641 | 18,443 | 1,198 | 6.50 |
| PBT | 10,794 | 8,091 | 2,703 | 33.41 |
| PAT | 7,897 | 6,314 | 1,583 | 25.07 |

For the quarter ended 30 June 2025, the Group recorded a commendable improvement in financial performance compared to the immediate preceding quarter ended 31 March 2025.

Revenue for the current financial quarter rose to RM43.29 million, representing a 5.26% increase from RM41.13 million recorded in the preceding quarter. The improvement was largely attributed to stronger sales momentum, improved project activities and market demand, and continuous promotional marketing campaigns.

Gross profit increased by 6.50% to RM19.64 million from RM18.44 million recorded in the preceding financial quarter. This was driven by the increase in revenue and further supported by improved cost control measures, resulting in a healthier gross margin.

The Group's PBT grew significantly by 33.41% to RM10.79 million as compared to RM8.09 million in the previous quarter. The growth in PBT reflects not only higher operating profit but also effective management of operating expenses and reduced overheads.

Correspondingly, PAT rose by 25.07% to RM7.90 million from RM6.31 million recorded in the preceding financial quarter. This increase underscores the Group's consistent focus on bottom-line performance and value creation for shareholders.

B3. Prospects

Looking ahead to the second half of 2025, market momentum is expected to accelerate in the fourth quarter of 2025, driven by year-end commercial fit-outs, increasing construction work and renovation activities, and rising demand during festive seasons. Consumers spending on home improvements and interior designs is expected to grow in line with increasing hygiene consciousness and awareness of sustainability commitments.

Despite the positive outlook, the industry continues to face challenges arising from competition with low-cost imports, currency volatility, and increasing raw material costs. Nevertheless, the Group remains optimistic and well-positioned to capitalise on market demand growth, by leveraging key drivers such as urbanisation trends, changing consumer lifestyles and growing government-led infrastructure and residential development initiatives. By focusing on innovation, sustainability, and operational efficiency, the Group aims to strengthen its market presence and deliver long-term value to its shareholders.

SORENTO CAPITAL BERHAD

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

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

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 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 |
| Current period income tax | 3,031 | N/A | 9,864 | N/A |
| Deferred tax | (134) | N/A | (134) | N/A |
| Total | 2,897 | N/A | 9,730 | N/A |
| Effective tax rate (%) | 27 | N/A | 27 | N/A |

Notes:

N/A Not applicable.

- (1) This is the fourth 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) The effective tax rate for the financial year ended 30 June 2025 was higher than the statutory tax rate of 24% mainly due to:
 - (i) expenses including, amongst others, depreciation and amortisation, and unrealised loss in foreign exchange which are not deductible for tax purposes; and
 - (ii) recognition of deferred tax income.

B6. Status of corporate proposals

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

SORENTO CAPITAL BERHAD

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

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 30 June 2025 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 | 1,086 | 4,914 | Within 36 months |
| Expansion of dealer network and enhancement of distribution reach | 6,000 | 10.46 | 1,425 | 4,575 | Within 36 months |
| Repayment of bank borrowings | 9,000 | 15.69 | 9,000 | - | Within 12 months |
| Working capital for purchase of inventories | 31,350 | 54.67 | 31,350 | - | Within 24 months |
| Estimated listing expenses | 5,000 | 8.72 | 5,000 | - | Within one month |
| Total | 57,350 | 100.00 | 47,861 | 9,489 | |

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

(The rest of this page is intentionally left blank)

SORENTO CAPITAL BERHAD

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

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 30.06.2025 RM'000 | Audited 30.06.2024 RM'000 |
|----------------------------------|-----------------------------------|---------------------------------|
| Non-current liabilities | | |
| Secured | | |
| Term loans | 261 | 2,544 |
| Lease liabilities ⁽¹⁾ | 2,477 | 1,490 |
| | <u>2,738</u> | <u>4,034</u> |
| Current liabilities | | |
| Secured | | |
| Bankers' acceptance | 2,444 | 14,436 |
| Invoice financing | - | 239 |
| Term loans | 7 | 93 |
| Lease liabilities ⁽¹⁾ | 763 | 415 |
| | <u>3,214</u> | <u>15,183</u> |
| | <u>5,952</u> | <u>19,217</u> |

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

- (a) Corporate guarantee by the Company and a subsidiary; 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.

SORENTO CAPITAL BERHAD

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

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

B10. Proposed dividend

On 25 August 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 2026.

The entitlement date for the proposed dividend is 12 September 2025 and the payment date is 19 September 2025.

B11. Basic and diluted earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-----------------------------------|--|-----------------------------------|--|
| | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 |
| Profit attributable to owners of the Company (RM'000) | 7,897 | N/A | 26,237 | N/A |
| Weighted average number of shares in issue ('000) | 714,822 | N/A | 714,822 | N/A |
| Basic earnings per share (sen) ⁽²⁾ | 1.10 | N/A | 3.67 | N/A |
| Diluted earnings per share (sen) ⁽³⁾ | 1.10 | N/A | 3.67 | N/A |

Notes:

N/A Not applicable.

- (1) This is the fourth 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

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

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 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 | Unaudited 30.06.2025 RM'000 | Unaudited 30.06.2024 ⁽¹⁾ RM'000 |
| The following amounts have been included in arriving at profit before tax: | | | | |
| Depreciation of property, plant and equipment | 1,164 | N/A | 4,521 | N/A |
| Depreciation of investment properties | 2 | N/A | 10 | N/A |
| Amortisation of intangible asset | 71 | N/A | 286 | N/A |
| Property, plant and equipment written off | 121 | N/A | 121 | N/A |
| Short-term leases | 343 | N/A | 1,123 | N/A |
| Unrealised loss on foreign exchange | 28 | N/A | 10 | N/A |
| Net allowance for ECLs on trade receivables | 149 | N/A | 140 | N/A |

and after crediting:

| | | | | |
|--|-----|-----|-----|-----|
| Gain on disposal of property, plant and equipment | 816 | N/A | 827 | N/A |
| Gain on disposal of investment properties | - | N/A | 30 | N/A |
| Dividend income | 92 | N/A | 139 | N/A |
| Interest income | | | | |
| - Other investment | * | N/A | 1 | N/A |
| - Fixed deposits with licensed banks | 310 | N/A | 449 | N/A |
| - Cash and cash equivalents | 62 | N/A | 292 | N/A |
| Realised gain on foreign exchange | 214 | N/A | 621 | N/A |
| Reversal of impairment losses on slow moving inventories | 8 | N/A | 8 | N/A |

SORENTO CAPITAL BERHAD

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

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 (Cont'd)

Notes:

* Amount less than RM1,000.

N/A Not applicable.

(1) This is the fourth 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: 25 August 2025