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 2026

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	
	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Revenue	49,176	43,288	183,885	179,167
Cost of sales	(26,059)	(23,647)	(100,708)	(101,998)
Gross profit	**23,117**	**19,641**	**83,177**	**77,169**
Other income	628	1,363	2,536	2,385
Administrative expenses	(7,143)	(5,654)	(28,966)	(29,341)
Selling and distribution expenses	(4,459)	(3,946)	(13,645)	(11,994)
Other expenses	(8)	(13)	(19)	(131)
Net loss on impairment of financial assets	(136)	(149)	(136)	(140)
Profit from operations	**11,999**	**11,242**	**42,947**	**37,948**
Finance costs	(397)	(448)	(1,622)	(1,981)
Profit before tax	**11,602**	**10,794**	**41,325**	**35,967**
Taxation	(3,285)	(2,897)	(10,525)	(9,730)
Profit after tax	**8,317**	**7,897**	**30,800**	**26,237**
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	**8,317**	**7,897**	**30,800**	**26,237**
Total comprehensive income for the financial period attributable to:				
Owners of the Company	8,317	7,897	30,800	26,237
Non-controlling interest	-	-	-	-
	8,317	7,897	30,800	26,237
Basic earnings per share (sen) [(2)]	0.97	1.10	3.58	3.67
Diluted earnings per share (sen) [(3)]	0.97	1.10	3.58	3.67

Notes:

(1) The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) The basic earnings per share for the current financial quarter and financial year-to-date period ended 30 June 2026 is computed based on the respective profit attributable to owners of the Company for each period divided by the number of ordinary shares in issue of 860,000,000. For the corresponding quarter and year-to-date period ended 30 June 2025, they are calculated based on the weighted average number of ordinary shares in issue of 714,822,052 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))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION [(1)]

	UNAUDITED 30.06.2026 RM'000	AUDITED 30.06.2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,781	43,822
Investment properties	1,301	873
Intangible assets	1,768	1,476
Deferred tax assets	420	168
	44,270	46,339
Current assets		
Inventories	33,760	32,063
Trade receivables	45,026	43,307
Other receivables	11,473	13,747
Contract assets	496	-
Tax recoverable	1,092	1,997
Other investment	32,855	15,141
Fixed deposits with licensed banks	-	26,251
Cash and bank balances	43,373	17,006
	168,075	149,512
TOTAL ASSETS	**212,345**	**195,851**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	97,767	97,767
Merger deficit	(41,919)	(41,919)
Retained earnings	107,337	87,287
TOTAL EQUITY	**163,185**	**143,135**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	613	262
Lease liabilities	35,787	38,010
Deferred tax liabilities	121	186
	36,521	38,458
Current liabilities		
Loans and borrowings	15	2,451
Lease liabilities	3,325	2,972
Trade payables	248	274
Other payables	8,045	7,005
Tax payable	1,006	1,556
	12,639	14,258
TOTAL LIABILITIES	**49,160**	**52,716**
TOTAL EQUITY AND LIABILITIES	**212,345**	**195,851**
Net assets per share (RM) [(2)]	0.19	0.17

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

Notes:

(1) The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Computed based on respective period's total equity attributable to owners of the Company divided by 860,000,000 shares in issue.

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SORENTO CAPITAL BERHAD

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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	-	-	-	26,237	26,237
Transactions with owners:					
- Effect of restructuring exercise	42,300	(381)	(41,919)	-	-
- Issuance of share capital	57,350	-	-	-	57,350
- Share issuance expenses	(1,884)	-	-	-	(1,884)
- Dividend to owners of the Company	-	-	-	(4,300)	(4,300)
At 30 June 2025 (Audited)	97,767	-	(41,919)	87,287	143,135
At 1 July 2025 (Audited)	97,767	-	(41,919)	87,287	143,135
Total comprehensive income for the financial period	-	-	-	30,800	30,800
Transaction with owners:					
- Dividend to owners of the Company	-	-	-	(10,750)	(10,750)
At 30 June 2026 (Unaudited)	97,767	-	(41,919)	107,337	163,185

Note:

(1) The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025 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	
	Unaudited 30.06.2026 RM'000	**Audited 30.06.2025 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	41,325	35,967
Adjustments for:		
Depreciation of property, plant and equipment	4,732	4,521
Gain on disposal of property, plant and equipment	(114)	(827)
Property, plant and equipment written off	2	121
Depreciation of investment properties	15	10
Gain on disposal of investment properties	(4)	(30)
Amortisation of intangible assets	314	286
Loss on early termination of lease contracts	2	-
Impairment losses/(Reversal of impairment losses) on slow moving inventories	7	(8)
Interest expenses	1,622	1,981
Interest income	(1,212)	(742)
Dividend income	(724)	(139)
Net allowance for expected credit losses ("ECLs") on trade receivables	136	140
Unrealised (gain)/loss on foreign exchange	(13)	10
Fair value loss on other investment	10	-
Bad debt written off	5	-
Operating profit before working capital changes	46,103	41,290
Changes in working capital:		
Inventories	(1,704)	(2,778)
Receivables	(3,444)	(6,481)
Contract assets	(496)	-
Payables	1,002	(5,571)
Cash generated from operations	41,461	26,460
Interest received	860	292
Tax paid	(12,329)	(9,061)
Tax refund	1,842	-
Net cash from operating activities	**31,834**	**17,691**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(999)	(1,088)
Proceeds from disposal of property, plant and equipment	4,089	332
Acquisition of investment properties	(154)	(524)
Proceeds from disposal of investment properties	350	395
Acquisition of intangible asset	(124)	-
Placement of other investment	(17,724)	(15,141)
Placement of fixed deposits with maturity more than 3 months	-	(10,198)
Interest received	352	450
Dividend received	724	139
Withdrawal of fixed deposits with maturity more than 3 months	10,198	-
Net cash used in investing activities	**(3,288)**	**(25,635)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(10,750)	(7,299)
Interest paid	(1,622)	(1,985)
Repayments of term loans	(276)	(2,369)
Drawdown of bankers' acceptance	-	9,209
Repayments of bankers' acceptance	(2,444)	(21,201)
Drawdown of invoice financing	-	7,068

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

	CUMULATIVE QUARTER	
	Unaudited 30.06.2026 RM'000	**Audited 30.06.2025 RM'000**
Repayment of invoice financing	-	(7,307)
Repayments of lease liabilities	(3,137)	(2,768)
Proceed from issuance of share capital	-	55,466
Net cash (used in)/from financing activities	**(18,229)**	**28,814**
NET CHANGES IN CASH AND CASH EQUIVALENTS	10,317	20,870
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	33,059	12,184
Effect of exchange translation differences on cash and cash equivalents	(3)	5
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	43,373	33,059
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISES:		
Cash and bank balances	43,373	17,006
Fixed deposits with licensed banks	-	26,251
	43,373	43,257
Less: Fixed deposits with maturity more than 3 months	-	(10,198)
	43,373	33,059

Note:

(1) The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

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

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 Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board, and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). This interim financial report also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board.

This interim financial report should be read in conjunction with the Company's audited financial statements for the financial year ended 30 June 2025 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 Company's audited financial statements for the financial year ended 30 June 2025, 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 2025:

- Amendments to MFRS 121 – *Lack of Exchangeability*

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 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

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

A2. Material accounting policies (Cont'd)

MFRSs and amendments to MFRSs in issue but not yet effective (Cont'd)

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

		Effective dates for financial periods beginning on or after
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 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 2025.

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 issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

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

A8. Dividend paid

	RM'000
In respect of the financial year ended 30 June 2026:	
Interim single-tier dividend of RM0.005 per ordinary share, paid on 19 September 2025	4,300
Interim single-tier dividend of RM0.005 per ordinary share, paid on 13 March 2026	4,300
Interim single-tier dividend of RM0.0025 per ordinary share, paid on 26 June 2026	2,150
Total	**10,750**

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 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

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

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

A14. Capital commitments

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

	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Capital expenditure		
Authorised and contracted for:		
- Computers and software	-	130
- Investment properties	3,929	4,706
- Renovations	183	-
- Intangible assets – software development in progress	14	-
Total	**4,126**	**4,836**

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.

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 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Transactions with related parties				
Sales of goods	45	5	131	167
Purchase of hardware for product maintenance	-	-	-	*
Rental paid to (MFRS 16)	900	900	3,600	3,600
Acquisition of property, plant and equipment from	-	-	-	1
Upkeep of warehouse paid to	4	*	4	1
Provision of legal professional services	14	-	14	-

Note:

* Amount less than RM1,000.

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

B1. Review of performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Revenue	49,176	43,288	183,885	179,167
Gross profit	23,117	19,641	83,177	77,169
Profit before tax ("PBT")	11,602	10,794	41,325	35,967
Profit after tax ("PAT")	8,317	7,897	30,800	26,237

(a) Comparison of the current quarter with preceding year's corresponding quarter (Q4 FY2026 vs Q4 FY2025)

For the Q4 FY2026, the Group recorded revenue of RM49.18 million representing an increase of RM5.89 million or 13.61% as compared to RM43.29 million in the Q4 FY2025. The increase was primarily attributable to higher contribution from both the sales to dealers and project-based sales. Revenue generated from sales to dealers increased by RM1.20 million or 4.50% from RM26.66 million in Q4 FY2025 to RM27.86 million in Q4 FY2026. The project-based sales increased by RM4.80 million or 29.54% from RM16.25 million in Q4 FY2025 to RM21.05 million in Q4 FY2026.

Gross profit increased by RM3.48 million or 17.72% to RM23.12 million in Q4 FY2026 from RM19.64 million in Q4 FY2025, in line with the higher revenue recorded. The gross profit margin improved to 47.01% compared to 45.37% in Q4 FY2025, supported by a favourable sales mix with improved contribution from higher-margin products and enhanced operating efficiency.

PBT increased by RM0.81 million or 7.51% to RM11.60 million in Q4 FY2026 compared to RM10.79 million in Q4 FY2025. The increase was mainly due to higher gross profit contribution, partially offset by higher operating expenses incurred during the quarter.

Consequently, PAT increased by RM0.42 million or 5.32% to RM8.32 million in Q4 FY2026 from RM7.90 million in Q4 FY2025, mainly attributable to the aforementioned factors, which was partially offset by higher income tax expenses.

(b) Comparison of current year-to-date with preceding year's corresponding year-to-date (FY2026 vs FY2025)

For the financial year ended 30 June 2026, the Group recorded revenue of RM183.89 million, representing an increase of RM4.72 million or 2.63% as compared to RM179.17 million recorded in FY2025. The increase was mainly attributable to higher revenue contribution from project-based sales, which increased by RM6.19 million or 9.68% from RM63.94 million in FY2025 to RM70.13 million in FY2026. This was partially offset by a marginal decline in sales to dealers of RM1.15 million or 1.01% to RM112.59 million compared to RM113.74 million in FY2025.

(For clarification, the revenue breakdown for the comparative period has been reclassified to align with the current basis of presentation and to provide a more meaningful and consistent representation of the Group's revenue streams. This reclassification does not affect the Group's total revenue or reported results for the respective periods.)

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

B1. Review of performance (Cont'd)

(b) Comparison of current year-to-date with preceding year's corresponding year-to-date (FY2026 vs FY2025) (Cont'd)

Gross profit increased by RM6.01 million or 7.79% to RM83.18 million in FY2026 from RM77.17 million in FY2025, mainly attributable to improved sales mix and enhanced operating efficiency. Consequently, gross profit margin improved from approximately 43.07% in FY2025 to 45.23% in FY2026.

PBT increased by RM5.36 million or 14.90% to RM41.33 million in FY2026 compared to RM35.97 million in FY2025. The improvement was mainly due to higher gross profit contribution and improved cost management.

PAT increased by RM4.56 million or 17.38% to RM30.80 million in FY2026 from RM26.24 million in FY2025, reflecting stronger overall financial performance.

In summary, the Group delivered a stronger profit in FY2026 despite moderate revenue growth, driven mainly by stronger gross profit margin arising from favourable sales mix and enhanced operational efficiency.

B2. Comparison with immediate preceding quarter's results (Q4 FY2026 vs Q3 FY2026)

	INDIVIDUAL QUARTER			
	CURRENT QUARTER 30.06.2026 RM'000	**PRECEDING QUARTER 31.03.2026 RM'000**	**VARIANCE RM'000**	**%**
Revenue	49,176	43,380	5,796	13.36
Gross profit	23,117	18,868	4,249	22.52
PBT	11,602	7,434	4,168	56.07
PAT	8,317	5,777	2,540	43.97

For Q4 FY2026, the Group recorded revenue of RM49.18 million representing an increase of RM5.80 million or 13.36% as compared to RM43.38 million in Q3 FY2026. The increase in revenue was mainly attributable to higher contribution from sales to dealers and project-based sales following the resumption of business activities after the festive season and improved project execution during the quarter.

Correspondingly, gross profit increased by RM4.25 million or 22.52% to RM23.12 million as compared to RM18.87 million in Q3 FY2026. The gross profit margin improved from 43.50% to 47.01% primarily due to a more favourable sales mix with a higher contribution from higher-margin products and improved cost efficiency.

The Group's PBT increased by RM4.17 million or 56.07% to RM11.60 million, mainly attributable to the higher gross profit and improved operating leverage arising from the increase in revenue. Consequently, PAT increased by RM2.54 million or 43.97% to RM8.32 million from RM5.78 million recorded in Q3 FY2026.

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

B3. Prospects

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing sectors will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

The construction sector is expected to remain stable in 2026 by recording a growth of 6.1%, underpinned by positive performance across all subsectors. The residential buildings subsector is expected to benefit from government-led affordable housing programmes and targeted home ownership initiatives supported by policy measures under the Thirteenth Plan as well as new projects by private sectors.

(Source: Economic Outlook 2026, Ministry of Finance)

Against the backdrop, in June 2026, the Group entered into a strategic collaboration with MR Academy International Sdn. Bhd. ("MR") aimed at strengthening retail capabilities within the hardware industry. The collaboration brings together the Group's experience in the bathroom and kitchen sanitary ware industry, its existing brand portfolio and distribution network with MR's expertise in retail business training, business development communities, and retail education.

This collaboration is intended to support knowledge sharing and capability development among retail partners, as well as to explore potential value-added opportunities within the Group's distribution ecosystem. The Group expects this initiative to contribute positively to engagement with its dealer network and support its ongoing development of retail capabilities within the hardware industry over the longer term.

Moving forward, the Group will continue to focus on strengthening its market position through ongoing efforts to expand its product portfolio, maintain relationships with dealers and project-based customers, and improve operational efficiency and cost management. The Group will also continue to monitor prevailing market conditions and adopt prudent inventory and procurement strategies, where appropriate, to manage potential supply chain disruptions and cost pressures arising from global uncertainties.

Barring any unforeseen circumstances, the Board remains cautiously optimistic about the Group's performance for the upcoming financial year.

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 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Current period income tax	3,602	3,031	10,842	9,864
Deferred tax	(317)	(134)	(317)	(134)
Total	**3,285**	**2,897**	**10,525**	**9,730**
Effective tax rate (%)[(1)]	28.31	26.84	25.47	27.05

Note:

(1) The effective tax rate for the current year-to-date period ended 30 June 2026 was slightly higher than the statutory tax rate of 24% mainly due to expenses including, amongst others, depreciation and amortisation, which were not deductible for tax purposes. This was partially offset by recognition of deferred tax income.

B6. Status of corporate proposals

Save as disclosed below, there are no other corporate proposals announced but not yet completed as at the date of this interim financial report:

(i) On 19 March 2026, the Company announced its intention to undertake the proposed transfer of the listing of and quotation for its entire issued share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer").

The application for the Proposed Transfer was submitted to the Securities Commission Malaysia ("SC") on 30 March 2026. The SC had vide its letter dated 16 July 2026, approved the Proposed Transfer.

On 14 August 2026, the application for the Proposed Transfer has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities"). Subsequently, Bursa Securities had vide its letter dated 21 August 2026, approved the Proposed Transfer. The Company will transfer its listing from the ACE Market to the Main Market of Bursa Malaysia on 28 August 2026.

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 2026 is set out below:

DETAILS OF THE USE OF PROCEEDS	PROPOSED UTILISATION RM'000	%	ACTUAL UTILISATION RM'000	BALANCE UNUTILISED RM'000	ESTIMATED TIMEFRAME FOR UTILISATION FROM THE DATE OF LISTING
Branding and promotional marketing	6,000	10.46	3,850	2,150	Within 36 months
Expansion of dealer network and enhancement of distribution reach	6,000	10.46	3,733	2,267	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
Listing expenses	5,000	8.72	5,000	-	Within one month
Total	**57,350**	**100.00**	**52,933**	**4,417**	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 7 October 2024 in relation to its IPO.

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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 30.06.2026 RM'000	Audited 30.06.2025 RM'000
Non-current liabilities		
Secured		
Term loans	613	262
Lease liabilities (1)	2,099	2,477
	2,712	2,739
Current liabilities		
Secured		
Bankers' acceptance	-	2,444
Term loans	15	7
Lease liabilities (1)	864	763
	879	3,214
	3,591	**5,953**

The loans and borrowings are secured by way of corporate guarantee by the Company and a subsidiary.

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

Note:

(1) Refer to lease liabilities arising from 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.

B10. Proposed dividend

On 26 August 2026, the Board has declared and approved an interim single-tier dividend of 0.50 sen per ordinary share (Q4 FY2025: 0.50 sen per ordinary share) in respect of the financial year ending 30 June 2027, to be paid on 25 September 2026 to shareholders whose name appeared on the Record of Depositors of the Company on 14 September 2026.

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

B11. Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.06.2026 RM'000	**Unaudited 30.06.2025 RM'000**	**Unaudited 30.06.2026 RM'000**	**Audited 30.06.2025 RM'000**
Profit attributable to owners of the Company (RM'000)	8,317	7,897	30,800	26,237
Number of shares in issue ('000)	860,000	714,822	860,000	714,822
Basic earnings per share (sen)[(1)]	0.97	1.10	3.58	3.67
Diluted earnings per share (sen)[(2)]	0.97	1.10	3.58	3.67

Notes:

(1) The basic earnings per share for the current financial quarter and financial year-to-date period ended 30 June 2026 is computed based on the respective profit attributable to owners of the Company for each period divided by the number of ordinary shares in issue of 860,000,000. For the corresponding quarter and year-to-date period ended 30 June 2025, they are calculated based on the weighted average number of ordinary shares in issue of 714,822,052 as at the end of the financial period.

(2) 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

(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 30.06.2026 RM'000	Unaudited 30.06.2025 RM'000	Unaudited 30.06.2026 RM'000	Audited 30.06.2025 RM'000
The following amounts have been included in arriving at profit before tax:				
Depreciation of property, plant and equipment	1,221	1,164	4,732	4,521
Property, plant and equipment written off	1	121	2	121
Depreciation of investment properties	8	2	15	10
Amortisation of intangible assets	84	71	314	286
Loss on early termination of lease contracts	-	-	2	-
Impairment losses on slow moving inventories	7	-	7	-
Net allowance for ECLs on trade receivables	136	149	136	140
Unrealised loss on foreign exchange	146	28	-	10
Fair value loss on other investment	2	-	10	-
Bad debt written off	5	-	5	-
Short-term leases	40	343	575	1,123
and after crediting:				
Gain on disposal of property, plant and equipment	113	816	114	827
Gain on disposal of investment properties	-	-	4	30
Reversal of impairment losses on slow moving inventories	-	8	-	8
Interest income				
- Other investment	*	*	1	1
- Fixed deposits with licensed banks	-	310	351	449
- Cash and cash equivalents	301	62	860	292
Dividend income	224	92	724	139
Realised gain on foreign exchange	112	214	387	621
Unrealised gain on foreign exchange	-	-	13	-

Note:

* Amount less than RM1,000.

By Order of the Board

Date: 26 August 2026