

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has only perused through this Circular in respect of the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue and/or Trading Nature on a limited review basis pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**LKL INTERNATIONAL BERHAD**

Registration No. 201501014673 (1140005-V)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

The Proposed Shareholders' Mandate will be tabled as Special Businesses at the Ninth Annual General Meeting ("9<sup>th</sup> AGM") of LKL International Berhad ("LKL" or "the Company") which will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://rebrand.ly/LKL-AGM> operated by Inshub Sdn. Bhd. from the Main Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 May 2024 at 10:00 a.m. or at any adjournment thereof.

The Notice of the 9<sup>th</sup> AGM together with the Proxy Form, Administrative Notes and this Circular are available at the Company's website at [www.lklbeds.com](http://www.lklbeds.com). Please follow the procedures provided in the Administrative Notes for the 9<sup>th</sup> AGM in order to register, participate and vote remotely at the 9<sup>th</sup> AGM.

If you are unable to participate in the 9<sup>th</sup> AGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Poll Administrator's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting as the case may be.

The last date and time for lodging the Proxy Form : Tuesday, 28 May 2024 at 10:00 a.m.  
Day, date and time of the 9<sup>th</sup> AGM : Thursday, 30 May 2024 at 10:00 a.m. or at any adjournment thereof

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Annual Report 2023”	: Annual Report of LKL for the financial year ended 31 December 2023
“Audit and Risk Management Committee”	: Audit and Risk Management Committee of LKL
“BioAlpha”	: BioAlpha Holdings Berhad [Registration No.: 201101021398 (949536-X)]
“BioAlpha Group”	: BioAlpha and its subsidiaries (including all future subsidiaries which are acquired/incorporated by BioAlpha Group before the next AGM of the Company) as defined in the Act
“Botanical Distribution”	: Botanical Distribution Sdn. Bhd. [Registration No.: 200801024396 (825720-T)]
“Board”	: The Board of Directors of LKL
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Circular”	: This circular dated 30 April 2024 to the shareholders of the Company in relation to the Proposals
“CMSA”	: Capital Markets and Services Act 2007
“Director(s)”	: The meaning given in Section 2(1) of the CMSA and for the purpose of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of LKL and/or its subsidiary or holding company
“FYE”	: Financial year ended
“LKL” or “Company”	: LKL International Berhad [Registration No. 201501014673 (1140005-V)]
“LKL Group” or “Group”	: LKL and its subsidiaries (including all future subsidiaries which are acquired/incorporated by LKL Group before the next AGM of the Company) as defined in the Act
“LKL Share(s)” or “Share(s)”	: Ordinary share(s) in LKL
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
“LPD”	: 2 April 2024, being the latest practicable date prior to the printing of this Circular

## DEFINITIONS (CONT'D)

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- “Major Shareholder” : A person who has an interest or interests in one or more of the voting shares in the Company and the number or aggregate number of those shares, is:
- (a) ten percent (10%) or more of the total number of voting shares in the Company; or
  - (b) five percent (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interest” shall have the meaning given in Section 8 of the Act
- For the purposes of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company as defined under Rule 1.01 or any other corporation which is its subsidiary or holding company.
- “Person(s) Connected” : Person(s) connected as defined in Rule 1.01 of the Listing Requirements
- “Proposed Shareholders’ Mandate” or “Proposals” : Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for the RRPT of A Revenue and/or Trading Nature
- “Recurrent Related Party Transaction(s)” or “RRPT” : Recurrent related party transaction(s) which is/are recurrent, of a revenue and/or trading nature, which are necessary for the day-to-day operations of LKL Group within the ordinary course of business of LKL Group
- “Related Party” or “Related Parties” : A Director, Major Shareholder and/or Person Connected with such Director or Major Shareholder; and “Related Parties” shall be construed accordingly
- “RM” and “sen” : Ringgit Malaysia and sen respectively

Words denoting the singular shall, where applicable, include the plural and vice-versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**LKL INTERNATIONAL BERHAD**  
Registration No. 201501014673 (1140005-V)  
(Incorporated in Malaysia)

**Registered Office:**

Third Floor, No. 77, 79 & 81  
Jalan SS 21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

30 April 2024

**Board of Directors:**

Dato' Haji Mohd Yazid Bin Haji Mustafa (*Independent Non-Executive Chairman*)  
Datuk Chong Loong Men (*Executive Director*)  
Zulkarnin Bin Ariffin (*Executive Director*)  
Lim Ming Chang (*Non-Independent Non-Executive Director*)  
Ling Chi Hoong (*Independent Non-Executive Director*)  
Dr. Chan Jee Peng (*Independent Non-Executive Director*)  
Ng Fun Kim (*Independent Non-Executive Director*)  
Tan Su Ning (*Independent Non-Executive Director*)

**To: The Shareholders of LKL**

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the 8<sup>th</sup> AGM of the Company held on 31 May 2023, the Company had sought and obtained from its shareholders the general mandate for LKL Group to enter into the RRPT of a revenue and/or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties other than those generally available to the public and which are necessary for LKL Group's day-to-day operations. The existing authority shall lapse at the conclusion of the forthcoming AGM, unless authority for its renewal is obtained from the shareholders at the forthcoming AGM.

On 8 April 2024, the Board announced to Bursa Securities that the Company intends to seek the shareholders' approval in respect of the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval on the resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 9<sup>th</sup> AGM of the Company. The notice convening the 9<sup>th</sup> AGM together with the Proxy Form is enclosed in the Annual Report 2023, the extract of which is enclosed with this Circular.

**SHAREHOLDERS OF LKL ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING 9<sup>TH</sup> AGM OF THE COMPANY.**

## 2. PROPOSED SHAREHOLDERS' MANDATE

### 2.1 Details of the Proposed Shareholders' Mandate

In the ordinary course of the Group's businesses, the Company anticipates that the Group would enter into certain RRPT with the Related Parties. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of RRPT which are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value of the RRPT is equal to or more than the prescribed threshold prescribed in Rule 10.09(1) of the Listing Requirements;
- (c) the Company's circular to shareholders for the shareholder mandate includes the information as may be prescribed by the Exchange. The draft circular must be submitted to the Bursa Securities for perusal together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the relevant Related Parties must comply with the requirements set out in Rule 10.08(7) of the Listing Requirements;
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In this regard, the Board proposes to seek shareholders' mandate for LKL Group to enter into arrangements or transactions with the Related Parties, details of which are set out in Section 2.3 below, which are necessary for the day-to-day operations of LKL Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

If approved, the Proposed Shareholders' Mandate shall be valid for the period described in Section 2.5 below.

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## 2.2 Principal activities of LKL Group

The Company is an investment holding company. As at LPD, the principal activities of its subsidiaries are as follows:

Name of company	Effective interest (%)	Principal activities
<b>Direct</b>		
LKL Advance Metaltech Sdn. Bhd. [199301023839 (278577-X)]	100%	Engaged in the business of providing medical/healthcare beds, peripherals and accessories
Medik Gen Sdn. Bhd. [201401038690 (1114838-W)]	100%	Engaged in the business of trading in hospital furniture, laboratory furniture, medical equipment, utensils and accessories and providing management and advisory services
Aluxcare Wellness Sdn. Bhd. [202101015036 (1415336-K)]	100%	Engaged in the business of wholesale, retail, importer and exporter of and dealers in all kinds of the drugs, chemicals, alkalis, cosmetics, personal care, health food, medical device, manure antibodies and pharmaceutical medicinal.
Carelife Centre Sdn. Bhd. [202101015060 (1415360-A)]	100%	Engaged in the business of trading of medical and emergency equipment and accessories
<u>Subsidiary company of LKL Advance Metaltech Sdn. Bhd.</u>		
LKL Medical (Sarawak) Sdn. Bhd. [202101033393 (1433693-V)]	60%*	Engaged in the business of trading, supplying, wholesaling of medical and healthcare equipments, products and services
<u>Subsidiary company of Medik Gen Sdn. Bhd.</u>		
TMI Medik Group Sdn. Bhd. [201701006394 (1220559-W)]	70^	Engaged in the business of trading in medical equipment, medical peripherals and accessories, and distribution of pharmaceutical products
<u>Associate Company of Carelife Centre Sdn. Bhd.</u>		
Focus Carelife Sdn. Bhd. [202101019340 (1419640-M)]	40%	(i) Trading, supplying, wholesaling, manufacturing of medical and healthcare equipment, products and services; and (ii) To carry on the business of wholesale, retail, importers and exporters of and dealers in all kind of drugs, chemicals, alkalis, manure antibodies and pharmaceutical medicinal.

Notes:

\*10% held via LKL and 50% held via LKL Advance Metaltech Sdn. Bhd.

^69% held via Medik Gen Sdn. Bhd. and 1% via LKL Advance Metaltech Sdn. Bhd.

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**2.3**

**Related Party and Nature of RRPT contemplated**

In the normal course of LKL Group's businesses, transactions of a revenue and/or trading nature between the company(ies) in LKL Group and the Related Party(ies) are likely to occur and are necessary for its day-to-day operations.

Transactions contemplated for which the Proposed Shareholders' Mandate (based on LKL Group's structure as at LPD) is sought are set out below:

**(i) Proposed Renewal of Existing Shareholders' Mandate**

Transacting company	Related Party	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to Shareholders dated 28 April 2023 (RM)	Actual value transacted from 31 May 2023 (date of last AGM) up to LPD (RM)	Estimated aggregate value from the LPD up to the date of 9 <sup>th</sup> AGM (30 May 2024) (RM)	Estimated aggregate value during the validity period of the mandate <sup>(1)</sup> (RM)	Interested Directors/ Major Shareholders/ persons connected to Directors or Major Shareholders
LKL Group	BioAlpha Group	Sales of pharmaceutical products, medical, healthcare equipment and other related expenses to BioAlpha Group (trade in nature)	15,000,000	-	-	15,000,000	Refer to note (2) below
LKL Group	BioAlpha Group	Purchase of pharmaceutical products, medical, healthcare equipment and other related expenses from BioAlpha Group (trade in nature)	55,000,000	8,911,955.00	559,313.75	55,000,000	Refer to note (2) below

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(ii) Proposed New Shareholders' Mandate

Transacting company	Related Party	Nature of Transaction	Estimated aggregate value during the validity period of the mandate <sup>(1)</sup> (RM)	Actual Value Transacted from the date of the first transaction up to LPD <sup>(2)</sup> (RM)	Estimated aggregate value from the LPD up to the date of the 9 <sup>th</sup> AGM (30 May 2024) <sup>(3)</sup> (RM)	Interested Directors/ Major Shareholders/ persons connected to Directors or Major Shareholders
LKL Group	BioAlpha Group	Management and service charges in relation to pharmacy business from BioAlpha Group	3,000,000	378,000	172,100	Refer to note (2) below

Notes:

- (1) The validity period of the Proposed Shareholders' Mandate is from the forthcoming 9<sup>th</sup> AGM to the next AGM.
- (2) Interested Directors, Major Shareholders and Persons Connected are as follows:-
- Botanical Distribution is the major shareholder of LKL.
  - BioAlpha, the indirect major shareholder of LKL, is deemed interested in the Proposed Shareholders' Mandate by virtue of its shareholdings in Botanical Distribution pursuant to Section 8 of the Act. BioAlpha is the holding company of Botanical Distribution.
  - Dato' Haji Mohd Yazid Bin Haji Mustafa is the Independent Non-Executive Chairman of LKL and he also sits on the Board of BioAlpha.
  - Datuk Chong Loong Men is the Executive Director of LKL and he also sits on the Board of BioAlpha.
  - Tan Su Ning is the Independent Non-Executive Director of LKL and she also sits on the Board of BioAlpha.
- (3) The percentage ratio for the transaction (s) from the date of the first transaction up to the date of the forthcoming AGM is less than 5%.

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## **2.4 Basis of estimates**

The abovementioned estimated values in respect of each transaction referred to above are based on prevailing prices obtained from the Related Parties which are reasonable market-competitive prices and are derived based on the normal level of transactions to be entered into by the Group for the period up to the conclusion of the next AGM. The estimated amounts are further based on the assumption that the current level of operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above.

## **2.5 Validity period of the Proposed Shareholders' Mandate**

The authority from the shareholders of LKL to undertake the Proposed Shareholders' Mandate, if granted, shall be effective upon the passing of the ordinary resolution for the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM of LKL following the general meeting at which this ordinary resolution for the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM of LKL after the date is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

## **2.6 Review procedures for the RRPT**

LKL has internal control systems to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms consistent with the Company's usual business practices and policies, which are no more favourable to the interested parties than those extended to third parties/public and are not detrimental to the interest of the minority shareholders. The management of LKL will ensure that the RRPT with interested parties will only be transacted at the prevailing market rates/prices for the services or products on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, the level of services, quality of products and other related factors.

The following methods and procedures have been implemented by LKL Group to ensure proper identification and reporting of RRPT and to ensure that RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders:

- (i) Any tender, quotation or contract received from or proposed to be entered with a Related Party will be reviewed by the senior management who will ascertain if it is an approved RRPT. Such tender, quotation or contract will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions. The transactions with a Related Party will only be entered into after taking into account the pricing, quality, deliverables, level of service and other related facts including competitors' prices of similar products and services in the open market;
- (ii) All transactions entered into pursuant to the Proposed Shareholders' Mandate will be tabled to the Audit and Risk Management Committee for review on a quarterly basis. In its review of such transactions, the Audit and Risk Management Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources;

- (iii) Records will be maintained by the Company to capture all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) The Audit and Risk Management Committee has and shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (v) The pricing for services and products to be provided/supplied and/or received is determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market;
- (vi) Where practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for substantially similar products or services and/or quantities will be used as a comparison to determine whether the price and terms offered to/by the Related Party are fair and reasonable and comparable to those offered to/by other unrelated third parties, for the same or substantially similar type of products/services and/or quantities; and
- (vii) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the Audit and Risk Management Committee shall review the transaction price based on the usual business practices of the Group to ensure that the RRPT are not detrimental to the Company and the Group.

## **2.7 Threshold for approval of RRPT**

The threshold for approval of RRPT within LKL Group are as follows:

- (i) The RRPT where the consideration, value of the assets, capital outlay or costs is below RM1.0 million is subject to the approval of any one of the non-interested Directors of the Company and shall be reviewed by the Senior Management (Chief Executive Officer, Chief Financial Officer, Head of Department) of the Company.
- (ii) The RRPT where the consideration, value of the assets, capital outlay or costs is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by the Audit and Risk Management Committee and the Board before the transaction is entered into.

Where a Director has an interest (direct or indirect) in an RRPT, such Director shall abstain from deliberating over such transaction.

## **2.8 Statement by the Audit and Risk Management Committee**

The procedures and processes of RRPT as set out in the sections above are and will be reviewed annually. The Audit and Risk Management Committee of the Company is of the view that the Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner.

The Audit and Risk Management Committee has also reviewed the RRPT and is of the opinion that the review procedures in Section 2.6 above are sufficient to ensure that RRPT will be carried out at arm's length and on commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

## **2.9 Disclosure in the annual report**

Disclosure will be made in the Company's annual report in respect of the Proposed Shareholders' Mandate and in the annual reports for subsequent years that the Proposed Shareholders' Mandate continues to be in force in accordance with applicable accounting standards and Section 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (i) the type of the RRPT made; and
- (ii) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

## **2.10 Rationale for and benefits of the Proposed Shareholders' Mandate**

The rationale for and benefits of the Proposed Shareholders' Mandate to the Group are as follows:

- (i) the Proposed Shareholders' Mandate will empower the Group to enter into transactions with the Related Parties which are necessary in the day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, are not more favourable to the Related Parties than those generally made available to the public and are not detrimental to the minority shareholders;
- (ii) the Proposed Shareholders' Mandate will eliminate the need for the convening of general meetings on an ad hoc basis and hence will reduce substantially the administrative time, inconvenience and expenses associated therewith;
- (iii) the RRPT entered into by the Group are intended to meet business needs at the best possible terms and to allow the Group to tap into the expertise of the Related Parties which will be of benefit to all the companies within the Group; and
- (iv) the benefits of transacting with Related Parties include leveraging their experience and expertise in healthcare to generate revenue for the Group.

## **2.11 Effects of the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate will not have any effect on the issued share capital, dividends and shareholdings of LKL and will not have any material effects on the net assets, gearing and earnings of LKL Group.

## **3. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is subject to the approval of LKL's shareholders to be obtained at the forthcoming 9<sup>th</sup> AGM of the Company.

## **4. DETAILS OF THE SUMS DUE AND OWING BY THE RELATED PARTIES**

As at LPD, there was no amount due and owing to LKL Group by Related Parties pursuant to RRPT which has exceeded the credit term. As such, the disclosures as required under items 16A and 16B in Annexure GN8-A of the Listing Requirements are not applicable.

## 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Saved as disclosed below, none of the Directors, Major Shareholders of LKL and/or persons connected with them have any interest, directly or indirectly, in the Proposed Shareholders' Mandate as at LPD:-

Name	Direct		Indirect	
	No. of shares	%*	No. of shares	%*
<b>Interested Major Shareholders</b>				
Botanical Distribution	47,010,000	12.114	-	-
BioAlpha <sup>(1)</sup>	-	-	47,010,000	12.114
<b>Interested Directors</b>				
Datuk Chong Loong Men <sup>(2)</sup>	10,000	0.003	-	-
Dato' Haji Mohd Yazid Bin Haji Mustafa <sup>(3)</sup>	-	-	-	-
Tan Su Ning <sup>(4)</sup>	-	-	-	-

### Notes:

\* Based on the number of issued shares of 388,057,256 Shares.

<sup>(1)</sup> BioAlpha, the indirect major shareholder of LKL, is deemed interested in the Proposed Shareholders' Mandate by virtue of its shareholdings in Botanical Distribution pursuant to Section 8 of the Act. BioAlpha is the holding company of Botanical Distribution.

<sup>(2)</sup> Datuk Chong Loong Men is the Executive Director of LKL and he also sits on the Board of BioAlpha.

<sup>(3)</sup> Dato' Haji Mohd Yazid Bin Haji Mustafa is the Independent Non-Executive Chairman of LKL and he also sits on the Board of BioAlpha.

<sup>(4)</sup> Tan Su Ning is the Independent Non-Executive Director of LKL and she also sits on the Board of BioAlpha.

Dato' Haji Mohd Yazid Bin Haji Mustafa, Datuk Chong Loong Men and Ms. Tan Su Ning (collectively referred to as "Interested Directors") had abstained and/or will continue to abstain from all Board deliberations and voting on the resolution pertaining to the Proposed Shareholders' Mandate.

Accordingly, the Interested Directors and Interested Major Shareholders will abstain from deliberation and voting in respect of their direct and indirect shareholdings on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM of the Company. Further, the Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected to them will abstain from deliberation and voting in respect of their direct and/or indirect shareholdings on the resolution deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM of the Company.

## 6. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 9<sup>th</sup> AGM of the Company.

## 7. 9<sup>TH</sup> AGM OF THE COMPANY

The Notice of 9<sup>th</sup> AGM of the Company which is enclosed in this Circular, can be downloaded from the Company's website at [www.lklbeds.com](http://www.lklbeds.com). The 9<sup>th</sup> AGM of the Company will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://rebrand.ly/LKL-AGM> operated by Inshub Sdn. Bhd. from the Main Venue at Lot 4.1, 4<sup>th</sup> Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the Ordinary Resolutions pertaining to the Proposed Shareholders' Mandate as described therein.

Day, date and time of the 9 <sup>th</sup> AGM	: Thursday, 30 May 2024 at 10:00 a.m.
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If you are unable to participate in the 9<sup>th</sup> AGM of the Company and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Poll Administrator's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting as the case may be.

The lodging of the form of proxy does not preclude you from attending and voting in person should you subsequently decide to do so.

Shareholders are advised to refer to the Administrative Notes on the registration and voting process for the 9<sup>th</sup> AGM of LKL.

## 8. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**LKL INTERNATIONAL BERHAD**

**ZULKARNIN BIN ARIFFIN**  
Executive Director

**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of LKL who collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no other fact, the omission of which would make any statement herein misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts, not being contracts entered into in the ordinary course of business, which have been entered into by LKL and/or its subsidiaries within the two (2) years preceding the date of this Circular:-

- (i) On 21 February 2023, LKL Advance Metaltech Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a conditional sale and purchase agreement ("SPA") with Lembaga Kumpulan Wang Simpanan Pekerja to purchase a property known as Bangunan KWSP Damansara Fairway, No. 6A, Persiaran Tropicana, Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, a 12 storey commercial office block with 5 storey car park containing 130 car park bays which is held under Pajakan Negeri 12257, Lot 934, Bandar Damansara, Daerah Petaling, Negeri Selangor at the cash consideration of RM24,000,000.00 of which RM2,400,000.00 being the deposit has been paid by LKL Advance Metaltech Sdn. Bhd. to Lembaga Kumpulan Wang Simpanan Pekerja upon the signing of this agreement and the balance purchase consideration thereafter to be paid on the completion date.

The SPA is conditional upon (i) receipt of the consent of the State Authority to the transfer of the property by Lembaga Kumpulan Wang Simpanan Pekerja to LKL Advance Metaltech Sdn. Bhd. and consent of the State Authority to charge the property by LKL Advance Metaltech Sdn. Bhd. to its financier, and, (ii) approval of the Economic Planning Unit of the Prime Minister's Department, Malaysia to the acquisition of the property by LKL Advance Metaltech Sdn. Bhd. The SPA is also subject to existing tenancies and service contracts which are to be novated to LKL Advance Metaltech Sdn. Bhd.

- (ii) On 10 October 2023, LKL Advance Metaltech Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a SPA with JLL Electrical Sdn. Bhd. for the disposal by LKLAM of a piece of freehold land held under H.S.(D) 321668, PT 3283, Pekan Serdang, Daerah Petaling, Negeri Selangor measuring approximately 963.41 square metres together with a unit of three (3) storey semi-detached factory erected thereon for a total consideration of RM6,650,000.00 to be satisfied entirely in cash pursuant to the SPA.
- (iii) On 20 December 2023, LKL Advance Metaltech Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a SPA with 8 Food Avenue Sdn. Bhd. for the disposal of a piece of freehold land held under H.S.(D) 321667, PT 3282, Pekan Serdang, Daerah Petaling, Negeri Selangor measuring approximately 972.93 square metres together with a unit of three (3) storey semi-detached factory erected thereon for a total consideration of RM6,900,000.00 to be satisfied entirely in cash pursuant to the SPA.

## FURTHER INFORMATION (CONT'D)

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### 3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, LKL Group is not engaged in any other material litigation, claim or arbitration either as plaintiff or defendant or otherwise and the Directors of LKL are not aware of any proceeding pending or threatened against LKL and/or its subsidiaries, or of any fact likely to give rise to any proceeding which might materially or adversely affect the financial position or business of LKL Group:-

**(i) LKL Advance Metaltech Sdn. Bhd. vs Crecom Burj Gloves Sdn. Bhd. (WA-24NCC(ARB)-37-12/2020)**

On 16 December 2020, LKL's wholly-owned subsidiary, LKL Advance Metaltech Sdn. Bhd. ("Plaintiff"), had filed an Originating Summons ("OS") in the High Court in Kuala Lumpur to seek for an injunction against Crecom Burj Gloves Sdn. Bhd. ("Defendant"). The High Court had on 5 March 2021 granted a Mareva injunction to freeze the Defendant's assets up to the amount of RM12,542,783.60 after hearing all parties involved. On 9 April 2021, the Defendant filed an affidavit to declare and list out all the necessary details of its assets and current locations of the same. The Defendant had filed an appeal bearing appeal no. W-02(NCC)(A)-719-04/2021 to the Court of Appeal, Putrajaya to appeal against the injunction granted by the High Court in Kuala Lumpur to the Plaintiff. However, the Defendant has withdrawn its appeal No. W-02(NCC)(A)-719-04/2021 at the Court of Appeal on 9 September 2021.

In line with the OS, the Plaintiff had also filed a Notice of Arbitration dated 11 January 2021 ("Arbitration") against the Defendant. The Plaintiff claims against the Defendant for breach of the Purchase Agreement dated 2 October 2020 which was entered into by both parties for the purchase of gloves from the Defendant. In the Arbitration, the Plaintiff is seeking from the Defendant the sum of RM12,542,783.60, general damages, interest, costs and any further relief that the arbitral tribunal thinks fit and just. The Defendant filed a Response to the Arbitration dated 16 February 2021 counterclaiming for the sum of RM20,374,500.00 for the purported balance amount due to the Defendant. The Arbitration is pending the appointment of an arbitrator by the director of the Asian International Arbitration Centre.

**(ii) LKL International Berhad vs The Edge Communications Sdn. Bhd. (WA-23NCvC-50-05/2021)**

On 25 May 2021, LKL had through its solicitors, Messrs Wong Kian Kheong, filed a Writ and Statement of Claim in the High Court in Kuala Lumpur against The Edge Communications Sdn. Bhd. ("The Edge"). The suit was initiated against The Edge for the article published at pages 62 to 64 of "The Edge Malaysia" on 12 April 2021 entitled "Hidden hands behind penny stock surge under scrutiny" ("Article"), of which the Company alleged that certain words in the Article were defamatory of LKL.

LKL is seeking from The Edge, amongst others, damages and an injunction to restrain The Edge whether by itself, its agents or servants or otherwise from publishing or causing to be published the same or similar words defamatory of the LKL.

On 19 August 2021, the Edge filed a striking out application to strike out LKL's claim and the High Court has on 17 May 2022 dismissed The Edge's striking out the application with costs in the cause. The Court has vacated the trial scheduled on 15 to 17 January 2024. The new trial date has been fixed on 18 and 19 November 2024

The lawyers for LKL are of the opinion that LKL has a reasonably good chance in their claim.



## FURTHER INFORMATION (CONT'D)

**(iii) LKL Advance Metaltech Sdn. Bhd. vs Crecom Burj Gloves Sdn. Bhd. and 6 others (WA-22NCC-331-07/2021)**

On 26 July 2021, LKL's wholly-owned subsidiary, LKL Advance Metaltech Sdn. Bhd. ("Plaintiff"), had through its solicitors, Messrs Chong + Kheng Hoe, filed a Writ and Statement of Claim in the High Court in Kuala Lumpur against Crecom Burj Gloves Sdn. Bhd., Crecom Burj Group Sdn. Bhd., Datin Roslinda Binti Jaafar, Khairil Anuar Bin A. Rahman, Nurul Ashikin Binti Muhammad Muhiyuddin, Chew Seng Ker and Nurul Balqis Binti Khairul Anuar ("Defendants").

The Plaintiff claiming against Defendants for the return of RM12,540,757.20 being payment made by the Plaintiff for the purchase of gloves from Crecom Burj Group Sdn. Bhd. pursuant to the Purchase Agreement dated 2 October 2020. The suit is fixed for trial on 27 Feb to 3 March 2023.

On 23 August 2022, the second Defendant, Crecom Burj Group Sdn. Bhd. has been wound up by the Kuala Lumpur High Court. LKL Advance Metaltech Sdn. Bhd. has filed a post-winding up suit no. WA-28PW-620-12/2022 to obtain leave from the Kuala Lumpur High Court to continue the proceeding against the second Defendant, Crecom Burj Group Sdn. Bhd. in suit WA22NCC-331-07/2021 and the matter is fixed for hearing on 16 February 2023.

On 29 September 2022, the first Defendant, Crecom Burj Gloves Sdn. Bhd. has been wound up by the Shah Alam High Court. LKL Advance Metaltech Sdn. Bhd. has filed a post-winding up suit no. BA-28PW-314-12/2022 to obtain leave from the Shah Alam High Court to continue the proceeding against the first Defendant, Crecom Burj Gloves Sdn. Bhd. in suit WA22NCC-331-07/2021 and the matter is fixed for hearing on 6 March 2023.

Pending the leave hearing and also pending appointment of solicitors for Crecom Burj Sdn. Bhd. and Crecom Burj Gloves Sdn. Bhd., the court as vacated the upcoming trial dates on 27 February 2023 to 3 March 2023. The new trial dates are 20,21,23 and 24 May 2024.

The lawyers for LKL Advance Metaltech Sdn. Bhd. are of the opinion that LKL Advance Metaltech Sdn. Bhd. has a fair chance in their claim against the Defendants.

**(iv) LKL Advance Metaltech Sdn. Bhd. vs Genesis Gateway Sdn. Bhd. (WA-28NCC-800-11/2021)**

On 8 November 2021, LKL's wholly owned subsidiary, LKL Advance Metaltech Sdn. Bhd. ("Petitioner") had through its solicitors, Messrs Chong + Kheng Hoe, presented a Winding Up Petition at the Kuala Lumpur High Court against Genesis Gateway Sdn. Bhd. ("Respondent") for the sum of RM13,311,960.96, indebted by the Respondent to the Petitioner wherein the Petitioner is seeking inter alia for the Respondent to be wound up by the Court and the incidental reliefs related thereto. Pursuant to a winding up order dated 13 July 2022, the Court has ordered the Respondent to be wound up and a cost of RM5,000 is to be paid up from the assets of the Respondent to the Petitioner. The Court has also appointed a liquidator of the Respondent and Petitioner has filed their proof of debt to the liquidator on 31 October 2022.

The lawyers for LKL Advance Metaltech Sdn. Bhd. are of the opinion that LKL Advance Metaltech Sdn. Bhd. has a fair chance of recovery of their debt from the Respondent.

**FURTHER INFORMATION (CONT'D)**

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**4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 and 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except for Public Holidays) from the date of this Circular up to and including the date of the 9<sup>th</sup> AGM:

- (a) Constitution of the Company;
- (b) Audited consolidated financial statements of the Company for the financial year ended 31 December 2023;
- (c) The material contracts referred to in Section 2 of Appendix I; and
- (d) The relevant cause papers in respect of material litigation are referred to in Section 3 of Appendix I.

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**EXTRACT OF NOTICE OF 9<sup>TH</sup> AGM**

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**ORDINARY RESOLUTION 8  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING  
SHAREHOLDERS' MANDATE")**

"THAT, authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries ("Group") to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.3(i) of the Circular to Shareholders dated 30 April 2024 in relation to the Proposed Renewal of Existing Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders' Mandate in the best interest of the Company."

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**EXTRACT OF NOTICE OF 9<sup>TH</sup> AGM**

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**ORDINARY RESOLUTION 9  
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

"THAT authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries ("Group") to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.3(ii) of the Circular to Shareholders dated 30 April 2024 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

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