LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025[1]

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Note	CURRENT YEAR QUARTER ENDED 31 MARCH 2025 RM'000	COMPARATIVE QUARTER ENDED 31 MARCH 2024 RM'000	PRECEDING PERIOD TO DATE ENDED 31 MARCH 2025 RM'000	PRECEDING PERIOD TO DATE ENDED 31 MARCH 2024 RM'000
Revenue	A9	11,660	9,585	11,660	9,585
Cost of sales		(8,165)	(7,233)	(8,165)	(7,233)
Gross profit		3,495	2,352	3,495	2,352
Other income		802	1,164	802	1,164
Administrative expenses		(4,372)	(3,188)	(4,372)	(3,188)
Selling and distribution expenses		(804)	(466)	(804)	(466)
Other expenses		(1,110)	(6,338)	(1,110)	(6,338)
Net loss on impairment of financial assets		-	(336)	-	(336)
Profit / (Loss) from operations		(1,989)	(6,812)	(1,989)	(6,812)
Finance costs		(841)	(415)	(841)	(415)
Profit / (Loss) before taxation (**"LBT"**)		(2,830)	(7,227)	(2,830)	(7,227)
Tax expense	B4	-	-	-	-
Profit / (Loss) after taxation ("**LAT"**)		(2,830)	(7,227)	(2,830)	(7,227)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the financial period		(2,830)	(7,227)	(2,830)	(7,227)
Total comprehensive income/(expense) for the financial period attributable to:-					
Owners of the Company		(2,837)	(7,232)	(2,837)	(7,232)
Non-controlling interests		7	5	7	5
		(2,830)	(7,227)	(2,830)	(7,227)
Earnings / (Loss) per share (sen) - Basic [2]	B11	(0.73)	(1.86)	(0.73)	(1.86)

Notes:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or loss and Other Comprehensive Income is detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Basic earnings/(loss) per share is calculated based on the number of ordinary shares in issue.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025 [1]

	Note	UNAUDITED AS AT 31 MARCH 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		88,341	72,868
Investment properties		11,957	11,966
Right-of-use assets		9,909	1,386
Other investments		21,502	21,375
		131,709	107,596
Current Assets			
Inventories		18,128	17,706
Trade receivables		11,971	11,747
Other receivables, deposits and prepayments		553	26,260
Amount owing by a related party		1,071	401
Tax recoverable		2,153	2,073
Fixed deposit with licensed bank		20,652	21,385
Cash and bank balances		1,317	4,354
		55,844	83,927
TOTAL ASSETS		187,554	191,523
EQUITY AND LIABILITIES			
Equity			
Share capital		240,262	240,262
Merger deficit		(29,580)	(29,580)
Accumulated losses		(83,152)	(80,315)
Equity attributable to owners of the Company		127,530	130,368
Non-controlling interests		(683)	(690)
TOTAL EQUITY		126,847	129,677
Non-current Liabilities			
Lease liabilities	B8	1,946	1,956
		1,946	1,956
Current Liabilities			
Trade payables		2,164	2,140
Other payables and accruals		3,466	5,996
Amount owing to a related party		409	-
Bank borrowings	B8	51,415	50,607
Lease liabilities	B8	1,306	1,147
		58,760	59,890
TOTAL LIABILITIES		60,706	61,846
TOTAL EQUITY AND LIABILITIES		187,554	191,523
Net asset per share (RM) [2]		0.33	0.34

Notes:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Net asset per share is calculated based on the number of ordinary shares in issue of 388,057,256 shares.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025[(1)]

	---------- Attributable to Equity Holders of the Company ----------					
	---------- Non-Distributable ----------					
	Share Capital	Merger Deficit	Accumulated Losses	Total Attributable to Owners of Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2025	240,262	(29,580)	(80,315)	130,368	(690)	129,677
Transactions with owners						
Ordinary shares issued pursuant to:						
- Right issue with warrants	-	-	-	-	-	-
- Share issuance expenses	-	-	-	-	-	-
	-	-	-	-	-	-
Loss and other comprehensive expense for the financial period	-	-	(2,837)	(2,837)	7	(2,830)
Balance at 31 March 2025	240,262	(29,580)	(83,152)	127,530	(683)	126,847

Note:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025[(1)]

	CURRENT YEAR 31 MARCH 2025 RM'000	PRECEDING PERIOD 31 MARCH 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,830)	(7,227)
Adjustments for:		
Amortisation of ROU assets	(8,523)	428
Depreciation of investment properties	9	-
Depreciation on property, plant and equipments	1,323	1,328
Gain on disposal of ROU assets	-	(7)
Gain On Disposal Of Property, Plant And Equipment	-	(757)
Fair Value Loss On Investment In Quoted Shares	(127)	5,160
Unrealised (gain)/Loss On Foreign Exchange	19	(45)
Interest Income	(802)	(166)
Interest expense	1,388	434
Net reversal of Inventories written off	-	39
Net Impairment Loss/(Gain) On:- Trade Receivables	-	337
Operating loss before working capital changes	(9,541)	(476)
Decrease/ (Increase) in trade receivables	(266)	(1,733)
Decrease/ (Increase) in other receivables	25,708	9,272
Decrease/ (Increase) in inventories	(421)	(1,202)
Increase/(Decrease) in trade and other payables	(2,482)	(5,909)
Decrease/(Increase) in amount owing by a related party	(261)	-
Cash from/(used in) operating activities	12,736	(48)
Tax refunded	-	26
Tax paid	(79)	(265)
Interest received	-	167
Net cash from/(used in) operating activities	12,656	(120)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment in Quoted Shares	-	(4,000)
Acquisition of investment in other investment	-	26
Acquisition of property, plant and equipment	(16,796)	(3,985)
Proceeds from disposal of property, plant and equipment	-	751
Interest received	802	-
Termination adjustment of right of use asset	-	163
Net cash from/(used in) investing activities	(15,994)	(7,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (Repayment) of Hire Purchase	(321)	145
Net drawdown / (Repayment) of lease liabilities	471	(670)
Repayment of term loan	(169)	(348)
Interest paid	(215)	(131)
Drawdown of banker's acceptance	1,188	150
NET CASH GENERATED FROM FINANCING ACTIVITIES	953	(854)

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025[(1)]

	CURRENT YEAR 31 MARCH 2025 RM'000	PRECEDING PERIOD 31 MARCH 2024 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,385)	(8,019)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	-	12
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,354	16,697
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1,969	8,690
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	1,317	4,480
Fixed deposit with a licensed bank	20,652	20,534
Bank overdraft	(20,000)	(16,324)
	1,969	8,690

Note:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

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

A1. Basis of preparation

The interim financial report of LKL International Berhad ("**LKL International**" or "**the Company**") and its subsidiaries ("**the Group**") is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("**MASB**"), Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 ("**FYE 2024**"). These explanatory notes attached to the interim financial report provide explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the FYE 2024.

A2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2024 except for those standard, amendments and IC interpretation that had become effective 1 January 2025 and such adoptions do not have material impact on the financial statements of the Group.

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

		Effective Date
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 9 and MFRS 7:	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards-Volume 11	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:	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and the Company in the period of initial application.

A3. Auditors' report on preceding audited financial statements

The preceding year's audited financial statements of the Group were not subject to any qualification.

A4. Seasonal or cyclical factors

The Group's business operations were not materially affected by seasonal or cyclical factors during the current financial quarter under review.

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

There were no unusual material items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current period-to-date under review except as disclosed in the unaudited financial statements.

A6. Material changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.

A7. Debts and equity securities

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

A8. Dividend paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE PERIOD			
	31 MARCH 2025		31 MARCH 2024		31 MARCH 2025		31 MARCH 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing:								
Medical/healthcare beds	2,087	17.90	2,213	23.09	2,087	17.90	2,213	23.09
Medical peripherals and accessories	5,199	44.58	3,127	32.63	5,199	44.58	3,127	32.63
	7,286	62.49	5,340	55.71	7,286	62.49	5,340	55.72
Trading:								
Medical peripherals and accessories	978	8.39	3,631	37.88	978	8.39	3,631	37.88
Medical devices	2,115	18.14	17	0.17	2,115	18.14	17	0.17
	3,093	26.52	3,648	38.05	3,093	26.52	3,648	38.05
Retail:								
Healthcare and Pharmaceuticals	1,281	10.99	597	6.23	1,281	10.99	597	6.23
Total revenue	**11,660**	**100.00**	**9,585**	**99.99**	**11,660**	**100.00**	**9,585**	**100.00**

A9. Segmental information (Cont'd)

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE PERIOD			
	31 MARCH 2025		31 MARCH 2024		31 MARCH 2025		31 MARCH 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local								
Malaysia	11,524	98.83	8,391	87.54	11,524	98.83	8,391	87.54
Export:								
Africa	-	-	880	9.18	-	-	880	9.18
Asia - other than Malaysia	107	0.92	307	3.20	107	0.92	307	3.20
Europe	13	0.11	1	0.01	13	0.11	1	0.01
North America	16	0.13	-	-	16	0.13	-	-
Middle East	1	0.01	6	0.06	1	0.01	6	0.06
	137	1.17	1,194	12.46	137	1.17	1,194	12.46
Total revenue	**11,660**	**100.00**	**9,585**	**100.00**	**11,660**	**100.00**	**9,585**	**100.00**

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment for the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

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

A12. Changes in composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets or contingent liabilities

The Group has no other contingent assets and contingent liabilities as at the date of this report except for the following:

a) Contingent liabilities

	UNAUDITED AS AT 31 MARCH 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
Bank guarantees given by financial institution to third parties	400	360

A14. Capital commitments

	UNAUDITED AS AT 31 MARCH 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	25,244	25,990

A15. Related party transactions

There were no material related party transactions entered into during the current financial quarter under review.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance of 3-month ended 31 March 2025 ("1Q FY2025")

The Group's performance for the 1Q FY2025 is as tabled below:

	UNAUDITED AS AT 1Q 2025 RM'000	UNAUDITED AS 1Q 2024 RM'000
Revenue	11,660	9,585
Gross profit	3,495	2,352
Loss Before Tax ("LBT")	(2,830)	(7,227)

Individual Period: 1Q FY2025 vs 1Q FY2024

The Group posted revenue of RM11.660 million, mainly contributed by the orders delivered from the segments of the medical peripherals and accessories, medical devices, healthcare and pharmaceuticals. The Group registered a higher revenue of RM11.660 million, an increase of RM2.075 million or 21.6% from the amount recorded in the preceding year's corresponding quarter (1Q FY2024).

The Group reported a gross profit of RM3.495 million and a gross profit margin of 29.97% for the current financial period. In 1Q FY2024, the Group reported a gross profit of RM2.352 million and a gross profit margin of 24.53%. Higher gross profit margin was mainly due to sales of better margin products.

The Group reported a loss before tax of RM2.830 million for the current quarter compared to loss of RM7.354 million in 1Q FY2024. Higher losses in 1Q FY2024 was mainly due to impairment loss of quoted shares RM5.186 million.

Manufacturing Segment for 1Q FY2025

The manufacturing segment of medical/healthcare beds, medical peripherals and accessories delivered orders totaling RM7.286 million or 62.49% of the group revenue for the current financial period mainly to the orders received from the government and private healthcare centers.

This segment posted a gross profit of RM2.759 million compared to RM2.161 million in the 1st quarter of the previous year.

Trading Segment for 1Q FY2025

The trading segment of medical peripherals, accessories and medical devices contribution was RM3.093 million or 26.52% of revenue for the current financial period (1Q FY2024:RM3.648 million). This segment posted a gross profit of RM1.020 million.

Pharmacy Retail Segment for Q1 FY2025

The revenue contributed from the pharmacy retail segment improved to RM1.281 million (1Q FY2024:RM0.597 million) for the current financial period with nine pharmacy outlets located in the major cities in Klang Valley, representing 10.99% of the group revenue for the current financial period.

Due to the lower sales volume resulting from stiff competition, this segment registered a gross loss of RM0.285 million for the current financial period, and consequently, this segment posted loss before tax of RM0.582 million (1Q FY2024: RM0.937 million).

Investment Holding Segment for 1Q FY2025

This segment continues to register a loss of RM0.548 million for the financial year due to the loss on the fair value of quoted investments of RM0.386 million.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B2. Comparison with the preceding quarter's results

	UNAUDITED AS AT CURRENT QUARTER ENDED 31 MARCH 2025 RM'000	AUDITED AS AT PRECEDING QUARTER ENDED 31 DECEMBER 2024 RM'000
Revenue	11,660	17,144
Gross profit	3,495	7,423
Loss Before Tax ("LBT")	(2,830)	(20,249)

1Q FY2025 vs 4Q FY2024

Revenue for the current quarter decreased by RM5.484 million or 31.99% as compared to the preceding quarter's (4Q FY2024) revenue of RM17.144 million mainly due to the preceding quarter's delivery for large hospital contracts. The Group registered a loss before tax of RM2.830 million or 86.03% lower than preceding quarter's loss before tax of RM20.249 million. This was mainly due to higher impairments of quoted share made in preceding quarter of RM10.273 million.

B3. Prospects

Malaysia's economy demonstrated resilience in 2024, achieving a Gross Domestic Product growth of 5.1%, supported by strong domestic demand, robust investment activities, and a recovering external sector (Source: Bernama). This stable economic environment provides a solid foundation for LKL's continued growth.

The Group's core manufacturing segment, particularly in medical devices, remains a key growth driver. Malaysia continues to be one of Southeast Asia's leading producers of medical devices, supported by sustained demand for healthcare products both domestically and internationally. This positions LKL to capitalize on expanding healthcare infrastructure investments across the region.

As part of its regional expansion strategy, LKL has strengthened its presence in Latin America through an exclusive distribution agreement with a well-established distributor. Building on its existing foothold in the region, this partnership enables LKL to further tap into the growing demand for healthcare furniture and medical equipment in Latin America markets. The transaction diversifies the Group's revenue base and supports its long-term growth objectives.

LKL also continues to strengthen its presence in Southeast Asia through its joint venture with PT Fasilitas Teknologi Nusantara, which opens access to Indonesia's expanding medical equipment market. These strategic partnerships enhance the Group's competitive position and growth potential in key regional markets.

During global cost pressures and market uncertainties, LKL is focused on improving operational efficiency and cost management to maintain healthy margins. The Group also remains cautious to external risks, including currency fluctuations and geopolitical developments, actively implementing mitigation strategies to safeguard profitability.

The Group is well-positioned to leverage market opportunities through its core competencies, strategic partnerships, and international expansion. The Group is confident in its ability to deliver sustainable value to shareholders while contributing meaningfully to healthcare infrastructure development both regionally and globally.

B4. Tax expenses

	UNAUDITED INDIVIDUAL QUARTER ENDED 31 MARCH 2025 RM'000	AUDITED INDIVIDUAL QUARTER ENDED 31 MARCH 2024 RM'000	AUDITED CUMULATIVE PERIOD ENDED 31 MARCH 2025 RM'000	AUDITED CUMULATIVE PERIOD ENDED 31 MARCH 2024 RM'000
Current tax expenses	-	-	-	-
Under provision in pior Financial period	-	-	-	-
	-	-	-	-

There was no material tax expense during the quarter in view of the unabsorbed tax losses.

B5. Variance of actual profit from profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

B6. Status of corporate proposals

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

B7. Utilisations of proceeds from corporate exercises

a) Pursuant to the Right Issue with Warrants, the details of the issuance of Right Shares as at the date of this report are as follows:

Issuance Date	No. of Shares	Issue Price (RM)	Total Proceeds (RM)
28 March 2023	290,897,202	0.17	49,452,524

The status of utilisation of proceeds as at 31 March 2025:

	Purpose	Proceeds raised RM'000	Actual utilisation RM'000	Deviation RM'000	Unutilised proceeds RM'000	Estimated timeframe for utilisation
(a)	Expansion of the pharmacy business	48,353	34,630	206	13,929	Within 24 months
(b)	Estimated expenses in relation to the Proposals	1,100	894	(206)	-	Immediate
		49,453	**35,524**	**-**	**13,929**	

Note:-

(1) In view that the actual listing expenses were less than estimated, the surplus has been re-allocated for expansion of the pharmacy business.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8. Group's borrowings and debt securities

The Group's borrowings as at 31 March 2025 were as follows:

	UNAUDITED AS AT 31 MARCH 2025 RM'000	AUDITED AS AT 31 MARCH 2024 RM'000
Current:		
Bank overdraft	20,000	16,324
Bankers' acceptance	3,055	2,211
Lease liabilities	1,306	1,059
Term loans	28,360	199
	52,721	19,793
Non-current:		
Lease liabilities	1,946	1,861
Term loans	-	6,569
	1,946	8,430
Total borrowings:		
Bank overdraft	20,000	16,324
Bankers' acceptance	3,055	2,211
Lease liabilities	3,252	2,920
Term loans	28,360	6,768
	54,667	**28,223**

All the borrowings were secured and denominated in Ringgit Malaysia.

B9. Material litigation

Save as disclosed below, there is no litigation or arbitration which has a material effect on the financial position of the Group and the Board of Directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings as at the date of this report.

(i) **LKL Advance Metaltech Sdn. Bhd. vs Manico New Impact Sdn. Bhd (WA-22NCC-898-12/2024)**

On 24 December 2024, LKLAM had through its solicitor, Messrs Terrence Lee & Co filed a suit in Kuala Lumpur High Court bearing suit number: WA-22NCC-898-12/2024 ("Suit 898") against Manico New Impact Sdn. Bhd. ("Manico" or "Defendant"), among other, to order Manico to pay RM2,000,000 to LKLAM. LKLAM has paid RM4,000,000 as down payment to Manico to acquire machineries in 2023, of which they failed do so and only after a year, Manico refunded RM2,000,000.

On 15 January 2025, due to failure to enter appearance by 10 January 2025, LKLAM has obtained a Judgment in Default of Appereance against Manico for a sum RM2,000,000 and costs of RM1,500. Following that, on 21 February 2025, a Winding Up Notice had been issued to the Defendant, whereby Winding Up Proceedings shall commence winding up proceeding against the Defendant in the event that the Defendant fails to reimburse LKLAM the aforementioned sum within 21 days. The Winding Up Petition against Defendant has been filed on 17 March 2025. The case is fixed for hearing on 24 June 2025.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B9. Material litigation (Cont'd)

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

On 25 May 2021, the Company 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 International Berhad.

The Company 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 LKL International Berhad.

On 19 August 2021, The Edge has filed a striking out application to strike out the Company's claim, and the High Court has on 17 May 2022 dismissed The Edge's striking out application with costs in the cause. The matter was initially fixed for trial on 21 and 24 February 2025. However, the Court has since vacated those dates and rescheduled the trial to 14 to 16 October 2025. A case management has been fixed on 17 September 2025 to facilitate trial preparations.

B10. Dividend proposed

There was no dividend proposed for the current financial quarter under review.

B11. Earnings /(Loss) per share

The basic LPS for the current financial quarter and financial period-to-date are computed as follows:

	UNAUDITED INDIVIDUAL QUARTER ENDED 31 MARCH 2025	AUDITED INDIVIDUAL QUARTER ENDED 31 MARCH 2024	AUDITED CUMULATIVE PERIOD ENDED 31 MARCH 2025	AUDITED CUMULATIVE PERIOD ENDED 31 MARCH 2024
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(2,830)	(7,227)	(2,830)	(7,227)
Weighted average number of ordinary shares in issue ('000)	388,057	388,057	388,057	388,057
Basic LPS (Sen)	(0.73)	(1.86)	(0.73)	(1.86)

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

PBT or LBT is arrived at after charging/(crediting):

	UNAUDITED INDIVIDUAL QUARTER ENDED		UNAUDITED CUMULATIVE PERIOD ENDED	
	31 MARCH 2025 RM'000	31 MARCH 2024 RM'000	31 MARCH 2025 RM'000	31 MARCH 2024 RM'000
Depreciation of property, plant and equipment	72	1,328	72	1,328
Gain on disposal of property, plant and equipment	-	(757)	-	(757)
Depreciation of right-of-use assets	484	428	484	428
Interest expense	814	415	814	415
Interest income	(75)	(166)	(75)	(166)
Net written down on inventories	-	-	-	-
Impairment loss/(gain) on trade receivables	-	336	-	336
Fair value loss /(gain) on investment in quoted shares	386	5,186	386	5,186
Unrealised loss/(gain) on foreign exchange	(57)	(44)	(57)	(44)

Other disclosure items pursuant to Appendix 9B Note 16 of the ACE Market Listing Requirements of Bursa Securities are not applicable.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 29 May 2025.