LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025[(1)]

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Note	CURRENT YEAR QUARTER ENDED 30 JUNE 2025 RM'000	COMPARATIVE QUARTER ENDED 30 JUNE 2024 RM'000	PRECEDING PERIOD TO DATE ENDED 30 JUNE 2025 RM'000	PRECEDING PERIOD TO DATE ENDED 30 JUNE 2024 RM'000
Revenue	A9	10,220	9,716	21,880	19,301
Cost of sales		(8,614)	(7,012)	(16,780)	(14,245)
Gross profit		1,606	2,704	5,100	5,056
Other income		1,804	1,232	2,605	2,396
Administrative expenses		(3,236)	(3,232)	(7,605)	(6,420)
Selling and distribution expenses		(774)	(612)	(1,578)	(1,078)
Other expenses		(7,808)	(2,118)	(8,918)	(8,456)
Net loss on impairment of financial assets		(593)	167	(593)	(169)
Loss from operations		(9,001)	(1,859)	(10,989)	(8,671)
Finance costs		(703)	(384)	(1,544)	(799)
Loss before taxation (**"LBT"**)		(9,704)	(2,243)	(12,533)	(9,470)
Tax expense	B4	-	(136)	-	(136)
Loss after taxation ("**LAT"**)		(9,704)	(2,379)	(12,533)	(9,606)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the financial period		(9,704)	(2,379)	(12,533)	(9,606)
Total comprehensive income/(expense) for the financial period attributable to:-					
Owners of the Company		(9,665)	(2,389)	(12,502)	(9,621)
Non-controlling interests		(39)	10	(31)	15
		(9,704)	(2,379)	(12,533)	(9,606)
Earnings / (Loss) per share (sen) - Basic [(2)]	B11	(2.49)	(0.62)	(3.22)	(2.48)

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 30 JUNE 2025 [1]

	Note	UNAUDITED AS AT 30 JUNE 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		95,631	72,868
Investment properties		11,966	11,966
Right-of-use assets		1,915	1,387
Other investments		14,566	21,375
		124,078	107,596
Current Assets			
Inventories		17,764	17,706
Trade receivables		6,034	11,747
Other receivables, deposits and prepayments		7,621	26,261
Amount owing by a related party		-	401
Tax recoverable		2,272	2,073
Fixed deposit with licensed bank		20,686	21,385
Cash and bank balances		1,629	4,354
		56,006	83,927
TOTAL ASSETS		180,084	191,523
EQUITY AND LIABILITIES			
Equity			
Share capital		240,262	240,262
Merger deficit		(29,580)	(29,580)
Accumulated losses		(92,817)	(80,315)
Equity attributable to owners of the Company		117,865	130,367
Non-controlling interests		(721)	(690)
TOTAL EQUITY		117,144	129,677
Non-current Liabilities			
Lease liabilities	B8	1,065	1,956
Bank borrowings	B8	18,494	-
		19,559	1,956
Current Liabilities			
Trade payables		3,174	2,140
Other payables and accruals		5,847	5,996
Bank borrowings	B8	33,540	50,607
Lease liabilities	B8	820	1,147
		43,381	59,890
TOTAL LIABILITIES		62,940	61,846
TOTAL EQUITY AND LIABILITIES		180,084	191,523
Net asset per share (RM) [2]		0.30	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 30 JUNE 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)	130,367	(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	-	-	(12,502)	(12,502)	(31)	(12,533)
Balance at 30 June 2025	240,262	(29,580)	(92,817)	117,865	(721)	117,144

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 30 JUNE 2025[(1)]

	CURRENT YEAR 30 JUNE 2025 RM'000	PRECEDING PERIOD 30 JUNE 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(12,533)	(9,470)
Adjustments for:		
Amortisation of ROU assets	(574)	-
Depreciation on property, plant and equipments	1,504	2,108
Gain on disposal of ROU assets	-	(7)
Depreciation of ROU assets	-	568
Gain On Disposal Of Property, Plant And Equipment	-	(1,745)
Gain on termination of leases	1,033	-
Fair Value Gains On Other Investment	-	(38)
Fair Value Loss On Investment In Quoted Shares	6,809	6,786
Unrealised (gain)/Loss On Foreign Exchange	19	(46)
Interest Income	(80)	(320)
Interest expense	1,544	835
Net reversal of Inventories written off	-	31
Reversal of Impairment Loss On Right Of Use Asset	(1,411)	-
Net Impairment Loss/(Gain) On:- Trade Receivables	593	169
Operating loss before working capital changes	(3,096)	(1,129)
Decrease/ (Increase) in trade receivables	5,078	-
Decrease/ (Increase) in other receivables	18,639	9,209
Decrease/ (Increase) in inventories	(58)	(706)
Increase/(Decrease) in trade and other payables	909	(5,644)
Decrease/(Increase) in amount owing by a related party	401	-
Cash from/(used in) operating activities	21,873	1,730
Tax refunded	22	26
Tax paid	(220)	(709)
Net cash from/(used in) operating activities	21,675	1,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment in Quoted Shares	-	(4,000)
Acquisition of investment in other investment	-	38
Acquisition of property, plant and equipment	(24,221)	(2,098)
Acquisition of right-of-use asset	33	(4)
Proceeds from disposal of property, plant and equipment	-	1,740
Interest received	80	320
Termination adjustment of right of use asset	-	163
Net cash from/(used in) investing activities	(24,108)	(3,841)

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025[(1)]

	CURRENT YEAR 30 JUNE 2025 RM'000	PRECEDING PERIOD 30 JUNE 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of pledged fixed deposit	698	-
Net drawdown / (Repayment) of Hire Purchase	(282)	285
Net drawdown / (Repayment) of lease liabilities	(591)	(1,136)
Repayment of term loan	(417)	(665)
Drawdown of borrowings	(157)	-
Interest paid	(1,544)	(260)
Drawdown / (Repayment) of banker's acceptance	2,001	177
Net proceeds from issuance of ordinary shares via right issue with warrants	-	(1)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(291)	(1,600)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,725)	(4,394)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	-	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,354	16,698
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1,629	12,305
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	1,629	12,305
Fixed deposit with a licensed bank	20,686	20,681
Bank overdraft	(19,958)	(12,924)
	2,357	20,062
Less: Fixed deposit pledged with a licensed bank	(20,686)	(20,681)
Bank overdraft	19,958	12,924
	1,629	12,305

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.

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			
	30 JUNE 2025		30 JUNE 2024		30 JUNE 2025		30 JUNE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing:								
Medical/healthcare beds	1,415	13.84	1,598	16.45	3,502	16.01	3,811	19.75
Medical peripherals and accessories	4,546	44.49	4,419	45.48	9,745	44.53	7,546	39.10
	5,961	58.33	6,017	61.93	13,247	60.54	11,357	58.85
Trading:								
Medical peripherals and accessories	2,149	21.03	2,951	30.36	5,242	23.96	6,581	34.10
Medical devices	1,292	12.64	46	0.48	1,292	5.90	63	0.33
	3,441	33.67	2,997	30.84	6,534	29.86	6,644	34.43
Retail:								
Healthcare and Pharmaceuticals	818	8.00	702	7.23	2,099	9.60	1,300	6.72
Total revenue	**10,220**	**100.00**	**9,716**	**100.00**	**21,880**	**100.00**	**19,301**	**100.00**

A9. Segmental information (Cont'd)

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE PERIOD			
	30 JUNE 2025		30 JUNE 2024		30 JUNE 2025		30 JUNE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local								
Malaysia	10,015	97.99	8,436	86.83	21,538	98.44	16,827	87.18
Export:								
Africa	55	0.54	4	0.04	55	0.25	884	4.58
Asia - other than Malaysia	142	1.39	751	7.73	249	1.14	1,058	5.48
Europe	0	0.00	524	5.39	14	0.06	525	2.72
North America	1	0.01	-	-	16	0.07	-	-
Middle East	7	0.07	1	0.01	8	0.04	7	0.04
	205	2.01	1,280	13.17	342	1.56	2,474	12.82
Total revenue	**10,220**	**100.00**	**9,716**	**100.00**	**21,880**	**100.00**	**19,301**	**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:

Contingent liabilities

	UNAUDITED AS AT 30 JUNE 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
Bank guarantees given by financial institution to third parties	102	360

A14. Capital commitments

	UNAUDITED AS AT 30 JUNE 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	3,277	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 6-month ended 30 June 2025 ("2Q FY2025")

The Group's performance for the 2Q FY2025 is as tabled below:

	UNAUDITED AS AT 2Q 2025 RM'000	UNAUDITED AS 2Q 2024 RM'000
Revenue	21,880	19,301
Gross profit	5,100	5,056
Loss Before Tax ("LBT")	(12,533)	(9,470)

2Q FY2025 vs 2Q FY2024

The Group reported revenue of RM21.880 million for 2Q FY2025, an increase of RM2.579 million or 13.40% compared to RM19.301 million in 2Q FY2024. The higher revenue was primarily driven by increased demand and deliveries from the medical peripherals and accessories, medical devices, healthcare, and pharmaceutical segments.

Gross profit margin reduced from 0.26% in 2Q FY2024 to 0.23% in 2Q FY2025 mainly due to higher manufacturing cost.

The Group recorded a loss before tax of RM12.533 million for the current quarter (2Q FY2025), compared to a loss before tax of RM9.470 million in the corresponding quarter of the previous financial year (2Q FY2024). The higher loss in 2Q FY2025 was mainly due to a fair value loss on investment in quoted shares amounting to RM6.809 million (2Q FY2024:RM6.786 million), depreciation and lease expense of RM2.495 million (2Q FY2024:RM2.108 million) and interest expense of RM1.544 million (2Q FY2024:RM0.799 million).

Manufacturing Segment for 2Q FY2025

The manufacturing segment of medical/healthcare beds, medical peripherals and accessories delivered orders totaling RM13.247 million or 60.54% of the group revenue for the current financial period. This segment recorded a gross profit of RM3.929 million, driven mainly by continued orders from government and private healthcare centers.

Trading Segment for 2Q FY2025

The trading segment of medical peripherals, accessories and medical devices, contributed RM6.534 million or 29.86% of the Group's revenue for the current financial period (2Q FY2024:RM6.644 million). This segment posted a gross profit of RM2.007 million.

Pharmacy Retail Segment for 2Q FY2025

The revenue contributed from the pharmacy retail segment improved to RM2.099 million (2Q FY2024:RM1.293 million) for the current financial period with nine pharmacy outlets located in the major cities in Klang Valley, representing 9.60% of the group revenue for the current financial period. The segment recorded a gross loss of RM0.836 million, attributed to high cost of sales and competitive market pressures.

Investment Holding Segment for 2Q FY2025

This segment continued to report a loss of RM7.993 million for the financial year, primarily due to a fair value loss on quoted investments amounting to RM6.809 million (2Q FY2024:RM6.786 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 30 JUNE 2025 RM'000	UNAUDITED AS PRECEDING QUARTER ENDED 31 MARCH 2025 RM'000
Revenue	10,220	11,660
Gross profit	1,606	3,495
Loss Before Tax ("LBT")	(9,704)	(2,830)

2Q FY2025 vs 1Q FY2025

The Group recorded revenue of RM10.220 million in 2Q FY2025, representing a decrease of RM1.440 million or 12.36% compared to RM11.660 million in 1Q FY2025. The decline was mainly due to reduced delivery of large-scale hospital contracts during the quarter. The Group registered a loss before tax of RM9.704 million in 2Q FY2025, significantly higher than the loss of RM2.830 million recorded in 1Q FY2025. The increased losses were mainly attributable to the fair value loss on investment in quoted shares. RM6.809 million in 2Q FY2025 (1Q FY2025:RM0.386 million).

B3. Prospects

The Group continues to navigate a challenging operating environment while focusing on operational improvements and cost management initiatives. Despite recording a loss before tax of RM12.533 million for the current period, the Group's core manufacturing segment in medical devices maintains steady demand from both government and private healthcare sectors. The Group is implementing targeted cost optimization measures to improve operational efficiency and margins.

The Management is evaluating loss making Division within the Group such pharmacy business to ensure its improving financial performance in the future. Management is also prioritizing working capital management and reviewing investment portfolios to reduce volatility in financial performance, particularly given the RM6.809 million fair value loss on quoted investments during the period. The Group has recently strengthened its presence in Latin America through an exclusive distribution agreement, which is expected to contribute to revenue diversification, however management remains cautious about expansion timing given current market conditions.

The Group is strengthening operational efficiency and cost controls, optimizing working capital and cash flow management, selectively pursuing government and private healthcare contracts, and carefully evaluating international expansion opportunities based on market conditions and financial capacity. The Group continues to monitor external factors including currency fluctuations, supply chain costs, and market volatility that may impact operations. Management is focused on maintaining financial flexibility while positioning for recovery when market conditions improve. The Board remains committed to prudent capital allocation and sustainable business practices as the Group works toward returning to profitability.

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

B4. Tax expenses

	UNAUDITED INDIVIDUAL QUARTER ENDED 30 JUNE 2025 RM'000	AUDITED INDIVIDUAL QUARTER ENDED 30 JUNE 2024 RM'000	AUDITED CUMULATIVE PERIOD ENDED 30 JUNE 2025 RM'000	AUDITED CUMULATIVE PERIOD ENDED 30 JUNE 2024 RM'000
Current tax expenses	-	136	-	136
Under provision in pior Financial period	-	-	-	-
	-	136	-	136

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

On 28 March 2023, the Company raised proceeds totaling RM49.45 million under Right Issue with Warrant following the issuance of 290,897,202 Right Shares ("Right Issue Proceeds"). On 20 May 2025, the Company announced the variation and extension of time for the utilization of Right Issue Proceeds as follows:

The status of utilisation of proceeds as at 30 June 2025:

Purpose	Proceeds raised RM'000	Variation RM'000	Revised Utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Estimated timeframe for utilisation
(a) Expansion of the pharmacy business	48,353	(9,694)	38,659	34,880	3,779	Within 48 months
(b) General Working Capital	-	9,900	9,900	-	9,900	Within 48 months
(c) Estimated expenses in relation to the Proposals	1,100	(206)	894	894	-	Immediate
	49,453	**-**	**49,453**	**35,774**	**13,679**	

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 30 June 2025 were as follows:

	UNAUDITED AS AT 30 JUNE 2025 RM'000	AUDITED AS AT 31 DECEMBER 2024 RM'000
Current:		
Bank overdraft	19,958	20,114
Bankers' acceptance	3,868	1,867
Lease liabilities	820	1,024
Term loans	9,714	2,223
	34,360	25,228
Non-current:		
Lease liabilities	1,065	1,795
Term loans	18,494	26,402
	19,559	28,197
Total borrowings:		
Bank overdraft	19,958	20,114
Bankers' acceptance	3,868	1,867
Lease liabilities	1,885	2,819
Term loans	28,208	28,625
	53,919	**53,425**

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 appearance 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. On 24 June 2025, the court has ordered that Manico be wound up under the Companies Act 2016. The Company has filed the proof of debt to the liquidator on 23 July 2025. The litigation process with Manico has been concluded following the filing of the Proof of Debt.

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 30 JUNE 2025	AUDITED INDIVIDUAL QUARTER ENDED 30 JUNE 2024	AUDITED CUMULATIVE PERIOD ENDED 30 JUNE 2025	AUDITED CUMULATIVE PERIOD ENDED 30 JUNE 2024
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(9,665)	(2,389)	(12,502)	(9,621)
Weighted average number of ordinary shares in issue ('000)	388,057	388,057	388,057	388,057
Basic LPS (Sen)	(2.49)	(0.62)	(3.22)	(2.48)

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

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	
	30 JUNE 2025 RM'000	30 JUNE 2024 RM'000	30 JUNE 2025 RM'000	30 JUNE 2024 RM'000
Depreciation of property, plant and equipment	692	780	2,495	2,108
Gain on disposal of property, plant and equipment	-	(988)	-	(1,745)
Depreciation of right-of-use assets	175	140	659	568
Interest expense	729	420	1,544	799
Interest income	(5)	(154)	(80)	(320)
Net written down on inventories	-	31	-	31
Impairment loss/(gain) on trade receivables	-	(167)	-	169
Fair value loss /(gain) on investment in quoted shares	6,423	1,600	6,809	6,786
Unrealised loss/(gain) on foreign exchange	289	(2)	233	(46)

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 August 2025.