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

		Quarter ended		Period ended	
	Note	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Revenue	A9	22,458	17,144	56,494	47,596
Cost of sales		(18,908)	(9,721)	(44,334)	(36,550)
Gross profit		3,550	7,423	12,160	11,046
Other income		483	284	3,646	2,962
Administrative expenses		(5,172)	(4,732)	(17,309)	(15,025)
Selling and distribution expenses		(2,351)	(1,383)	(4,499)	(3,602)
Other expenses		(12,305)	(19,543)	(17,484)	(33,325)
Net loss on impairment of financial assets		(922)	(1,843)	(1,608)	(4,142)
Loss from operations		(16,718)	(19,794)	(25,092)	(42,086)
Finance costs		(309)	(455)	(2,402)	(1,734)
Loss Before Tax		(17,027)	(20,249)	(27,494)	(43,820)
Tax expense	B4	-	(24)	-	2,474
Loss after taxation		(17,027)	(20,273)	(27,494)	(41,344)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the financial period		(17,027)	(20,273)	(27,494)	(41,344)
Total comprehensive income/(expense) for the financial period attributable to:-					
Owners of the Company		(17,148)	(20,204)	(27,493)	(41,294)
Non-controlling interests		121	(69)	(1)	(52)
		(17,027)	(20,273)	(27,494)	(41,346)
Loss per share (sen)					
- Basic loss per share is calculated based on the number of ordinary shares in issue.	B11	(4.42)	(5.21)	(7.08)	(10.64)

Notes:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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 loss per share is calculated based on the number of ordinary shares in issue.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 [(1)]

	Note	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		62,012	72,868
Investment properties		35,433	11,966
Right-of-use assets		935	1,387
Other investments		19,741	21,375
		118,121	107,596
Current Assets			
Inventories		12,715	17,706
Trade receivables		7,814	11,747
Other receivables, deposits and prepayments		8,130	26,261
Amount owing by a related party		-	401
Tax recoverable		1,970	2,073
Fixed deposit with licensed bank		1,141	21,385
Cash and bank balances		14,234	4,354
		46,004	83,927
TOTAL ASSETS		164,125	191,523
EQUITY AND LIABILITIES			
Equity			
Share capital		233,475	233,475
Warrant reserve		6,787	6,787
Merger deficit		(29,580)	(29,580)
Other reserves		1,353	-
Accumulated losses		(107,808)	(80,315)
Equity attributable to owners of the Company		104,227	130,367
Non-controlling interests		(691)	(690)
TOTAL EQUITY		103,536	129,677
Non-current Liabilities			
Lease liabilities	B8	794	1,956
Bank borrowings	B8	18,942	-
		19,736	1,956
Current Liabilities			
Trade payables		2,898	2,140
Other payables and accruals		7,657	5,996
Bank borrowings	B8	29,632	50,607
Lease liabilities	B8	665	1,147
		40,852	59,890
TOTAL LIABILITIES		60,588	61,846
TOTAL EQUITY AND LIABILITIES		164,125	191,523
Net asset per share (RM) [(2)]		0.27	0.34

Notes:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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 STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025[(1)]

	<---------- Attributable to Equity Holders of the Company ---------->							
	<---------- Non-Distributable---------->							
	Share Capital	Warrant reserve	Merger Deficit	ESOS Reserve	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	RM'000	RM'000
Balance at 1 January 2025	233,475	6,787	(29,580)	-	(80,315)	130,367	(690)	129,677
Loss and other comprehensive expense for the financial period	-	-	-	-	(27,493)	(27,493)	(1)	(27,494)
Share-based compensation pursuant to ESOS granted	-	-	-	1,353	-	1,353	-	1,353
Balance at 31 December 2025	233,475	6,787	(29,580)	1,353	(107,808)	104,227	(691)	103,536

Note:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Change in Equity 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 STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025(1)

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(27,494)	(43,820)
Adjustments for:		
Depreciation on property, plant and equipments	4,460	5,679
Depreciation of right-of-use assets	2,434	1,785
Depreciation of investment properties	824	36
Gain on disposal of right-of-use assets	(121)	-
Gain on disposal of property, plant and equipments	(25)	(2)
Property, plant and equipments written off	8,951	436
Gain on disposal of assets held for sale	-	(1,739)
Gain on termination of leases	-	(26)
Provision for slow moving inventories	-	43
Reversal of provision for slow moving inventories	-	(808)
Impairment losses on property, plant and equipment	-	2,490
Impairment losses on right-of-use asset	-	1,699
Impairment loss on goodwill	-	2,400
Fair Value gain on investment in other investment	-	(59)
Fair value loss on investment in quoted shares	1,634	20,640
Impairment loss on trade receivables	1,608	1,914
Impairment loss on non-trade receivables	-	2,000
Impairment loss on amount due from related parties	-	228
Other receivables written off	-	2,694
Inventories written off	-	1,510
Interest Income	(72)	(607)
Interest expense	2,402	1,734
Unrealised loss on foreign exchange	368	6
Reversal of impairment loss on right-of-use asset	(1,673)	-
Employee share option scheme expenses	1,353	-
Operating loss before working capital changes	(5,352)	(1,768)
Decrease/ (Increase) in trade receivables	2,283	(1,727)
Decrease/ (Increase) in other receivables	(6,160)	(9,070)
Decrease/ (Increase) in inventories	4,992	(832)
Increase/ (Decrease) in trade and other payables	2,094	(2,641)
Increase/ (Decrease) in amount owing by a related party	401	(401)
Cash from/(used in) operating activities	(1,742)	(16,438)
Tax refunded	331	57
Tax paid	(228)	(794)
Net cash from/(used in) operating activities	(1,639)	(17,175)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of other investment	-	5,261
Proceeds from disposal of property, plant and equipment	437	13,552
Acquisition of quoted shares	-	(4,000)
Arising from acquisition of business	-	(4,200)
Acquisition of property, plant and equipment	(2,966)	(15,478)
Acquisition of right-of-use asset	(1,277)	-
Interest received	72	607
Net cash used in investing activities	(3,733)	(4,258)

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2025(1) (CONT'D)

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withrawal/(Placement) of pledged fixed deposit	20,244	(1,005)
Net Repayment of Hire Purchase	(64)	(941)
Net Repayment of lease liabilities	(492)	(544)
Repayment of term loan	(399)	(238)
(Repayment)/Drawdown of borrowings	(1,269)	242
Interest paid	(2,402)	(1,734)
Repayment of banker's acceptance	(365)	(194)
Drawdown of term loan	-	19,200
Net cash from financing activities	15,253	14,787
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	9,880	(6,646)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	-	13
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	4,354	10,988
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	14,234	4,355
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	14,234	4,354
Fixed deposit with a licensed bank	1,141	21,385
Bank overdraft	(18,846)	(20,114)
	(3,470)	5,625
Less: Fixed deposit pledged with a licensed bank	(1,141)	(21,385)
Bank overdraft	18,846	20,114
	14,234	4,354

Note:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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. Material accounting policies information

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 has 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:

		Effective Date
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 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 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.

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

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 were 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

	Quarter ended				Period ended			
	31/12/2025 Unaudited		31/12/2024 Audited		31/12/2025 Unaudited		31/12/2024 Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing:								
Medical/healthcare beds	606	2.70	5,326	31.07	6,359	11.26	11,280	23.70
Medical peripherals and accessories	5,358	23.85	5,713	33.32	20,789	36.80	17,998	37.81
	5,964	26.56	11,039	64.39	27,148	48.05	29,278	61.51
Trading:								
Medical peripherals and accessories	16,133	71.85	4,397	25.65	23,804	42.14	13,162	27.65
Medical devices	361	1.61	245	1.43	3,443	6.09	914	1.92
	16,494	73.44	4,642	27.08	27,247	48.23	14,076	29.57
Retail:								
Healthcare and Pharmaceuticals	-	-	1,463	8.53	2,099	3.72	4,242	8.92
Total revenue	**22,458**	**100.00**	**17,144**	**100.00**	**56,494**	**100.00**	**47,596**	**100.00**

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

A9. Segmental information (Cont'd)

(b) Analysis of revenue by geographical areas

	Quarter ended				Period ended			
	31/12/2025 Unaudited		31/12/2024 Audited		31/12/2025 Unaudited		31/12/2024 Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local								
Malaysia	9,657	43.00	13,237	77.21	41,214	72.95	40,002	84.04
Export:								
Africa	121	0.54	884	5.16	359	0.63	1,965	4.13
Asia - other than Malaysia	12,418	55.29	2,875	16.77	14,500	25.67	4,703	9.88
Europe	1	-	124	0.72	60	0.11	880	1.85
North America	56	0.26	-	-	123	0.22	-	-
Middle East	205	0.91	24	0.13	238	0.42	46	0.10
	12,801	57.00	3,907	22.79	15,280	27.05	7,594	15.96
Total revenue	**22,458**	**100.00**	**17,144**	**100.00**	**56,494**	**100.00**	**47,596**	**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 except for the deregistration of PT LKL Indonesia Makmur.

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

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

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Bank guarantees given by financial institution to third parties	548	360

A14. Capital commitments

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	2,500	25,990

A15. Significant related party transaction

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Related parties:		
- Purchase of goods	-	4,860
- Management Fee paid	-	576
- Labour charges	-	599
- Rental payable	37	123
- Corporate payable	48	-

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

B1. Review of performance of 12-month ended 31 December 2025 ("4Q FY2025")

The Group's performance for the 4Q FY2025 is as tabled below:

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Revenue	56,494	47,596
Gross profit	12,160	11,046
Loss Before Tax	(27,494)	(43,820)

4Q FY2025 vs 4Q FY2024

The Group reported revenue of RM56.494 million for 4Q FY2025, representing an increase of RM8.898 million or 18.69% compared to RM47.596 million in 4Q FY2024. The higher revenue was primarily driven by increased export sales, supported by stronger demand and deliveries from the medical peripherals and accessories, medical devices, healthcare, and pharmaceutical segments.

The gross profit margin decreased slightly from 23.21% in 4Q FY2024 to 21.53% in 4Q FY2025, mainly attributable to changes in product mix and operational efficiencies.

The Group recorded a loss before tax of RM27.494 million for 4Q FY2025, compared to a loss before tax of RM43.820 million in the corresponding quarter of the previous financial year (4Q FY2024). The narrower loss in 4Q FY2025 was mainly attributable to significantly lower fair value losses on investments in quoted shares amounting to RM1.634 million (4Q FY2024 : fair value loss of RM20.640 million).

Manufacturing Segment for 4Q FY2025

The manufacturing segment of medical/healthcare beds, medical peripherals and accessories delivered orders totaling RM27.148 million or 48.05% of the group revenue for the current financial period. This segment recorded a gross profit of RM0.414 million, driven mainly by continued orders from government and private healthcare centers.

Trading Segment for 4Q FY2025

The trading segment of medical peripherals, accessories and medical devices, contributed RM27.247 million or 48.23% of the Group's revenue for the current financial period (4Q FY2024:RM14.076 million). This segment posted a gross profit of RM13.054 million.

Pharmacy Retail Segment for 4Q FY2025

The revenue contributed from the pharmacy retail segment contributed to RM2.099 million (4Q FY2024:RM4.242 million) for the current financial year with closure of pharmacy outlets, representing 3.72% of the group revenue for the current financial period. The segment recorded a gross loss of RM1.308 million, attributed to high cost of sales and competitive market pressures.

Investment Holding Segment for 4Q FY2025

This segment continued to report a loss of RM5.256 million for the financial year compared to RM21.435 million in 4Q FY2024. The lower loss is due to lower fair value losses on investments in quoted shares amounting to RM1.634 million compare to RM20.640 million in 4Q FY2024.

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

B2. Comparison with the preceding quarter's results

	Quarter ended	
	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Revenue	22,458	12,156
Gross profit	3,550	3,510
(Loss) / Profit Before Tax ("LBT" or "PBT")	(17,027)	2,066

4Q FY2025 vs 3Q FY2025

The Group recorded revenue of RM22.458 million in 4Q FY2025, representing a increase of RM10.302 million or 84.75% compared to RM12.156 million in 3Q FY2025 mainly due to several large projects delivered during the current quarter. The Group recorded a loss before tax of RM17.027 million for the current quarter, compared to a profit before tax of RM2.066 million in the preceding quarter due to higher operating costs incurred during the quarter.

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 RM27.494 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 by taking relevant steps to ensure overall improvement of the Group's 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 RM1.634 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

	Quarter ended		Period ended	
	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Current tax expenses	-	24	-	(2,474)

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

Saved as disclosed below, there were no other corporate proposal announced but not completed as at the date of the report.

On 28 January 2026, the Board announced that the Company proposed to undertake a proposed reduction of RM120,000,000 of the issued share capital of LKL pursuant to Section 117 of the Companies Act 2016 ("Proposed Capital Reduction").

On 11 February 2026, the approval had been granted for the Proposed Capital Reduction by Bursa Securities.

On 25 February 2026, the Company had given notice for an extraordinary general meeting of LKL to be held on 25 March 2026 at 10:00 a.m. in relation to the Proposed Capital Reduction.

On 26 February 2026, the Company had issued Circular to shareholders in relation to the Proposed Capital Reduction.

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 31 December 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	35,115	3,544	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**	**45,909**	**3,544**	

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 December 2025 were as follows:

	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Current:		
Bank overdraft	18,846	46,516
Bankers' acceptance	1,502	1,867
Lease liabilities	665	1,147
Term loans	9,284	2,224
	30,297	51,754
Non-current:		
Lease liabilities	794	1,956
Term loans	18,942	-
	19,735	1,956
Total borrowings:		
Bank overdraft	18,846	46,516
Bankers' acceptance	1,502	1,867
Lease liabilities	1,459	3,103
Term loans	28,226	2,224
	50,033	**53,710**

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 to 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 6 to 18 March 2026.

B10. Dividend proposed

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

B11. Loss per share (''LPS'')

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

	Quarter ended		Period ended	
	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000	31/12/2025 Unaudited RM'000	31/12/2024 Audited RM'000
Net loss attributable to ordinary equity holders Company (RM'000)	(17,148)	(20,204)	(27,493)	(41,294)
Weighted average number of ordinary shares in issue ('000)	388,057	388,057	388,057	388,057
Basic LPS (Sen)	(4.42)	(5.21)	(7.08)	(10.64)

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

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

Loss before taxation is arrived at after charging/(crediting):

	Quarter ended		Period ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,097	2,775	4,460	5,679
Gain on disposal of property, plant and equipment	-	1,749	(25)	(2)
Depreciation of right-of-use assets	2,411	849	2,434	1,785
Depreciation of investment properties	797	36	824	36
Property, plant and equipments written off	-	382	8,951	436
Interest expense	309	487	2,402	1,734
Interest income	(6)	(143)	(72)	(607)
Net written down on inventories	-	(11)	-	-
Impairment loss on trade receivables	922	1,746	1,608	1,914
Fair value loss on investment in quoted shares	11	10,273	1,634	20,640
Unrealised loss/(gain) on foreign exchange	-	6	368	6
Reversal of impairment loss on right-of-use asset	(1,673)	-	(1,673)	-

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 27 February 2026.