LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026[1]

	Note	Quarter ended		Period ended	
		31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000
Revenue	A9	7,623	11,660	7,623	11,660
Cost of sales		(5,945)	(8,165)	(5,945)	(8,165)
Gross profit		1,678	3,495	1,678	3,495
Other income		406	802	406	802
Administrative expenses		(3,915)	(4,372)	(3,915)	(4,372)
Selling and distribution expenses		(426)	(804)	(426)	(804)
Other expenses		(1,807)	(1,110)	(1,807)	(1,110)
Net gain on impairment of financial assets		308	-	308	-
Loss from operations		(3,756)	(1,989)	(3,756)	(1,989)
Finance costs		(578)	(841)	(578)	(841)
Loss Before Tax		(4,334)	(2,830)	(4,334)	(2,830)
Tax expense	B4	-	-	-	-
Loss after taxation		(4,334)	(2,830)	(4,334)	(2,830)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the financial period		(4,334)	(2,830)	(4,334)	(2,830)
Total comprehensive expense for the financial period attributable to:-					
Owners of the Company		(4,331)	(2,837)	(4,331)	(2,837)
Non-controlling interests		(3)	7	(3)	7
		(4,334)	(2,830)	(4,334)	(2,830)
Loss per share (sen) [2]					
- Basic loss per share is calculated based on the number of ordinary shares in issue.	B11	(1.12)	(0.73)	(1.12)	(0.73)

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 2025 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 MARCH 2026 [1]

	Note	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		62,452	63,212
Investment properties		35,228	35,434
Right-of-use assets		1,498	1,535
Other investments		18,598	19,691
		117,776	119,872
Current Assets			
Inventories		14,863	12,890
Trade receivables		5,880	7,790
Other receivables, deposits and prepayments		3,229	3,078
Tax recoverable		884	1,956
Fixed deposit with a licensed bank		441	441
Cash and bank balances		9,112	14,783
		34,409	40,938
TOTAL ASSETS		152,185	160,810
EQUITY AND LIABILITIES			
Equity			
Share capital		233,479	233,475
Warrant reserve		1,353	8,140
Merger deficit		(29,580)	(29,580)
Accumulated losses		(104,318)	(106,773)
Equity attributable to owners of the Company		100,934	105,262
Non-controlling interests		(703)	(700)
TOTAL EQUITY		100,231	104,562
Non-current Liabilities			
Lease liabilities	B8	494	703
Bank borrowings	B8	18,942	18,315
		19,436	19,018
Current Liabilities			
Trade payables		922	1,776
Other payables and accruals		7,147	4,506
Amount owing to a related party		-	102
Bank borrowings	B8	23,713	30,103
Lease liabilities	B8	735	735
Tax payable		-	8
		32,517	37,230
TOTAL LIABILITIES		51,954	56,248
TOTAL EQUITY AND LIABILITIES		152,185	160,810
Net asset per share (RM) [2]		0.26	0.27

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 2025 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 388,078,416 shares.

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026[(1)]

	<---------- Attributable to Equity Holders of the Company ---------->							
	<---------- Non-Distributable---------->							
	Share Capital	Warrant reserve	Share option reserve	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	RM'000	RM'000
Balance at 1 January 2026	233,475	6,787	1,353	(29,580)	(106,773)	105,262	(700)	104,562
Transactions with owners								
Ordinary shares issued pursuant to:								
- Issuance of ordinary share persuant to exercise of warrants	4	(1)	-	-	-	3	-	3
- Warrants expired	-	(6,786)	-	-	6,786	-	-	-
Loss and other comprehensive expense for the financial period	-	-	-	-	(4,331)	(4,331)	(3)	(4,334)
Balance at 31 March 2026	233,479	-	1,353	(29,580)	(104,318)	100,934	(703)	100,231

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 2025 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 MARCH 2026(1)

	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,334)	(26,445)
Adjustments for:		
Depreciation on property, plant and equipments	760	3,883
Amortisation of right of use assets	79	1,472
Depreciation of investment properties	206	824
Gain on disposal of right-of-use assets	(41)	-
Bad debt recovered	-	(9)
Gain on disposal of property, plant and equipments	-	(174)
Property, plant and equipments written off	-	8,951
Gain on termination of leases	-	(99)
Provision for slow moving stocks	-	808
Reversal of provision for slow moving inventories	-	(4)
Loss on disposal on right of use assets	-	27
Fair value loss / (gain) on investment in quoted shares	1,094	1,684
Reversal of impairment loss on trade receivables	(308)	-
Impairment loss on trade receivables		1,340
Impairment loss on amount due from related parties	-	579
Other receivables written off	-	1,460
Inventories written down	-	176
Inventories written off	-	1,483
Interest Income	(11)	(72)
Interest expense	578	2,432
Unrealised loss on foreign exchange	-	372
Shared based payment	-	1,353
Reversal of impairment loss on amount due from subsidiaries companies	-	(205)
Reversal of impairment loss on right of use assets	-	(1,699)
Operating loss before working capital changes	(1,977)	(1,863)
Decrease in trade receivables	2,218	2,570
Increase in other receivables	(151)	(2,569)
Decrease in amount owing by a related party	(102)	(179)
(Decrease) / Increase in inventories	(1,973)	2,354
Increase/ (Decrease) in trade and other payables	1,787	(1,721)
Cash (used in) / from operating activities	(197)	(1,408)
Tax refunded	1,117	342
Tax paid	(53)	(239)
Net cash from/(used in) operating activities	866	(1,305)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(3,182)
Placement of restricted cash	-	(1,368)
Proceed from disposal of property, plant and equipment	-	178
Proceed from disposal of right of use assets	-	215
Interest received	11	72
Net cash from / (used in) investing activities	11	(4,085)

LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026[(1)] (CONT'D)

	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Withrawal/(Placement) of pledged fixed deposit	-	20,943
Repayment of lease liabilities	(787)	(1,831)
Repayment of borrowings	(5,763)	(4,520)
Proceeds from issuance of ordinary shares	4	-
Net cash (used in) / from financing activities	(6,547)	14,592
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(5,670)	9,202
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	-	(141)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,415	4,354
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	7,745	13,415
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	9,112	14,783
Restricted cash	(1,368)	(1,368)
	7,745	13,415

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 2025 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 2025 ("**FYE 2025**"). 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 2025.

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 2025 except for those standard, amendments and IC interpretation that had become effective 1 January 2026 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			
	31/3/2026 Unaudited		31/3/2025 Unaudited		31/3/2026 Unaudited		31/3/2025 Unaudited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing:								
Medical/healthcare beds	903	11.84	2,087	17.90	903	11.84	2,087	17.90
Medical peripherals and accessories	3,360	44.08	5,199	44.59	3,360	44.08	5,199	44.59
	4,263	55.92	7,286	62.49	4,263	55.92	7,286	62.49
Trading:								
Medical peripherals and accessories	3,303	43.34	978	8.39	3,303	43.34	978	8.39
Medical devices	57	0.74	2,115	18.14	57	0.74	2,115	19.14
	3,360	44.08	3,093	26.53	3,360	44.08	3,093	26.53
Retail:								
Healthcare and Pharmaceuticals	-	-	1,281	10.99	-	-	1,281	11.00
Total revenue	**7,623**	**100.00**	**11,660**	**100.00**	**7,623**	**100.00**	**11,660**	**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			
	31/3/2026 Unaudited		31/3/2025 Unaudited		31/3/2026 Unaudited		31/3/2025 Unaudited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local								
Malaysia	5,412	71.00	11,524	98.83	5,412	71.00	11,524	98.83
Export:								
Africa	106	1.39	-	-	106	1.40	-	-
Asia - other than Malaysia	1,889	24.78	107	0.92	1,889	24.78	107	0.92
Europe	-	-	13	0.11	-	-	13	0.11
North America	-	-	15	0.13	-	-	15	0.13
Middle East	216	2.83	1	0.01	215	2.82	1	0.01
	2,211	29.00	136	1.17	2,211	29.00	136	1.17
Total revenue	**7,623**	**100.00**	**11,660**	**100.00**	**7,623**	**100.00**	**11,660**	**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.

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

	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
Bank guarantees given by financial institution to third parties	548	548

A14. Capital commitments

	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	2,500	2,500

A15. Significant related party transaction

	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
Related parties:		
- Rental payable	37	37
- Corporate payable	22	48

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

B1. Review of performance of 3-month ended 31 March 2026 ("1Q FY2026")

The Group's performance for the 1Q FY2026 is as tabled below:

	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000
Revenue	7,623	11,660
Gross profit	1,678	3,495
Loss Before Tax	(4,334)	(2,830)

1Q FY2026 vs 1Q FY2025

The Group registered a lower revenue of RM7.623 million for 1Q FY2026, a decrease of RM4.037 million or 34.62% from the corresponding quarter in the preceding year 1Q FY2025.

The gross profit margin decreased from 29.97% in 1Q FY2025 to 22.01% in 1Q FY2026, mainly attributable to changes in product mix and lower demand from customer due to soft customer sentiment.

The Group recorded a loss before tax of RM4.334 million for 1Q FY2026, compared to a loss before tax of RM2.830 million in the corresponding quarter of the previous financial year (1Q FY2025). The losses in 1Q FY2026 was mainly due to losses in the fair value on investment in quoted shares of RM1.094 million (1Q FY2025:RM0.127 million).

Manufacturing Segment for 1Q FY2026

The manufacturing segment of medical/healthcare beds, medical peripherals and accessories delivered orders totaling RM4.263 million or 55.92% of the group revenue for the current financial period. This segment recorded a gross profit of RM0.574 million, driven mainly by continued orders from government and private healthcare centers.

Trading Segment for 1Q FY2026

The trading segment of medical peripherals, accessories and medical devices, contributed RM3.360 million or 44.08% of the Group's revenue for the current financial period (1Q FY2025:RM3.093 million). This segment posted a gross profit of RM1.104 million.

Pharmacy Retail Segment for 1Q FY2026

The pharmacy retail segment did not record any revenue for the current financial period following the closure of pharmacy outlets. Consequently, the segment did not contribute to the Group's revenue in 1Q FY2026.

Investment Holding Segment for 1Q FY2026

This segment continued to report a loss of RM1.814 million for the financial year due to the loss on the fair value of quoted investments of RM1.094 million.

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

B2. Comparison with the preceding quarter's results

	Quarter ended	
	31/3/2026 Unaudited RM'000	31/12/2025 Audited RM'000
Revenue	7,623	22,424
Gross profit	1,678	1,989
Loss Before Tax ("LBT")	(4,334)	(15,978)

1Q FY2026 vs 4Q FY2025

The Group recorded a revenue of RM7.623 million in 1Q FY2026, representing a decrease of RM14.800 million or 66.00% as compared to RM22.424 million in 4Q FY2025. The decline was mainly driven by fulfillment delayed of the project and modest seasonal decrease in revenue in the current quarter. The Group recorded a loss before tax of RM4.334 million for the current quarter, compared to a loss before tax of RM15.978 million in the preceding quarter which mainly due to impairment loss of property, plant & equipment by RM8.950 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 RM4.334 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 RM1.094 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	
	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000
Current tax expenses	-	-	-	-

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.

On 25 March 2026, the Proposed Capital Reduction was duly passed by the shareholders by way of poll at the extraordinary general meeting of LKL.

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 March 2026:

	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 March 2026 were as follows:

	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000
Current:		
Bank overdraft	13,846	20,000
Bankers' acceptance	827	3,055
Lease liabilities	735	1,306
Term loans	9,040	28,360
	24,448	52,721
Non-current:		
Lease liabilities	494	1,946
Term loans	18,942	-
	19,436	1,946
Total borrowings:		
Bank overdraft	13,846	20,000
Bankers' acceptance	827	3,055
Lease liabilities	1,229	3,252
Term loans	27,982	28,360
	43,884	**54,667**

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.

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. On 16 March 2026, the matter was resolved through a consent judgment. The taxed cost has been fully settled and the matter is now concluded.

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

B10. Dividend proposed

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

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

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

	Quarter ended		Period ended	
	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000	31/3/2026 Unaudited RM'000	31/3/2025 Unaudited RM'000
Net loss attributable to ordinary equity holders Company (RM'000)	(4,331)	(2,837)	(4,331)	(2,837)
Weighted average number of ordinary shares in issue ('000)	388,078	388,057	388,078	388,057
Basic LPS (Sen)	(1.12)	(0.73)	(1.12)	(0.73)

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	
	31/3/2026	31/12/2025	31/3/2026	31/12/2025
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Depreciation on property, plant and equipments	760	3,883	760	3,883
Amortisation of right of use assets	79	1,472	79	1,472
Depreciation of investment properties	206	824	206	824
Gain on disposal of right-of-use assets	(41)	-	(41)	-
Bad debt recovered	-	(9)	-	(9)
Gain on disposal of property, plant and equipments	-	(174)	-	(174)
Property, plant and equipments written off	-	8,951	-	8,951
Gain on termination of leases	-	(99)	-	(99)
Provision for slow moving stocks	-	808	-	808
Reversal of provision for slow moving inventories	-	(4)	-	(4)
Loss on disposal on right of use assets	-	27	-	27
Fair value loss on investment in quoted shares	1,094	1,684	1,094	1,684
Reversal of impairment loss on trade receivables	(308)	-	(308)	-
Impairment loss on amount due from related parties	-	579	-	579
Other receivables written off	-	1,460	-	1,460
Inventories written down	-	176	-	176
Inventories written off	-	1,483	-	1,483
Interest Income	(11)	(72)	(11)	(72)
Interest expense	578	2,432	578	2,432
Unrealised loss on foreign exchange	-	372	-	372
Shared based payment	-	1,353	-	1,353
Reversal of impairment loss on amount due from subsidiaries companies	-	(205)	-	(205)
Reversal of impairment loss on right of use assets	-	(1,699)	-	(1,699)

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 2026.