

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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This Circular has been reviewed by Sierac Corporate Advisers Sdn. Bhd., being the Adviser to the Company for the Proposed Capital Reduction (as defined herein).



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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED REDUCTION OF RM120,000,000 OF THE ISSUED SHARE CAPITAL OF
LKL INTERNATIONAL BERHAD PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016
("PROPOSED CAPITAL REDUCTION")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



SIERAC CORPORATE ADVISERS SDN. BHD.
(Registration No.: 200001013247 (515853-A))

The Extraordinary General Meeting ("**EGM**") of LKL International Berhad ("**LKL**" or the "**Company**") will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 March 2026 at 10:00 a.m. or at any adjournment thereof.

The Notice of EGM together with the proxy form, administrative notes, and this Circular are available at the Company's website at www.lklbeds.com or Bursa Securities' website at www.bursamalaysia.com. Please follow the procedures provided in the administrative notes for the EGM in order for the registration and voting process for the EGM.

If you are unable to attend/participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my not less than 48 hours before the date and time for holding the EGM indicated below. The completion and lodging of the proxy form will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, the proxy form shall be deemed to have been revoked.

Last date and time for lodging the Proxy Form : Monday, 23 March 2026 at 10:00 a.m.
Day, date and time of the EGM : Wednesday, 25 March 2026 at 10:00 a.m.

This Circular is dated 26 February 2026.

DEFINITIONS

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

Act	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
Board	: Board of Directors of LKL
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	: This circular to shareholders dated 26 February 2026 in relation to the Proposed Capital Reduction
Director(s)	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	: Extraordinary general meeting of LKL
EPS/(LPS)	: Earnings/(Losses) per Share
FPE	: Financial period ended/ending
FYE	: Financial year ended/ending 31 December
GP	: Gross profit
High Court	: High Court of Malaysia
LAT	: Loss after tax
LBT	: Loss before tax
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
LKL or the Company	: LKL International Berhad (Registration No.: 201501014673 (1140005-V))
LKL Group or the Group	: Collectively, LKL and its subsidiaries
LKL Shares or the Shares	: Ordinary shares in LKL
LPD	: 11 February 2026, being the latest practicable date prior to the printing of this Circular
Maximum Scenario	: Assuming all 81,000,000 outstanding SIS Options are exercised into new Shares at the exercise price of RM0.0330 and 193,931,375 outstanding Warrants A are exercised into new Shares at the exercise price of RM0.1700 prior to the implementation of the Proposed Capital Reduction
Minimum Scenario	: Assuming none of the 81,000,000 outstanding SIS Options and 193,931,375 outstanding Warrants A are exercised into new Shares prior to the implementation of the Proposed Capital Reduction

DEFINITIONS *(Cont'd)*

NA	: Net assets attributable to the shareholders of the Company
Proposed Capital Reduction	: Proposed reduction of RM120,000,000 of the issued share capital of LKL pursuant to Section 117 of the Act
Registrar of Companies	: The registrar designated as Chief Executive Officer of the Companies Commission of Malaysia
RM and sen	: Ringgit Malaysia and sen, respectively
SCA or the Adviser	: Sierac Corporate Advisers Sdn. Bhd. (Registration No.: 200001013247 (515853-A))
SIS Options	: Share issuance scheme options of LKL which took effect on 6 April 2023 for a period of 5 years until 5 April 2028
Warrants A	: Warrants 2023/2026 of the Company which will expire on 21 March 2026. Each warrant holder is entitled to the right to subscribe for 1 new LKL Share for every 1 Warrant A held, at an exercise price of RM0.1700

All references to “you” in this Circular are to the shareholders of LKL.

In this Circular, words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

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

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION CONTAINED IN THE MAIN CONTENT OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED CAPITAL REDUCTION BEFORE VOTING AT THE FORTHCOMING EGM.

PROPOSED CAPITAL REDUCTION	
Details of the Proposed Capital Reduction	The Proposed Capital Reduction entails the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital, which is lost and unrepresented by available assets of RM120,000,000. The corresponding credit of RM120,000,000 arising from such cancellation will be used to set off against the accumulated losses of the Company as permitted by the relevant and applicable laws, as well as the Company's Constitution. Please refer to Section 2 of this Circular for further details of the Proposed Capital Reduction.
Rationale for the Proposed Capital Reduction	The Proposed Capital Reduction will enable the Company and the Group to rationalise their financial positions by reducing the accumulated losses of the Company. This is expected to enhance both the Company's and the Group's credibility with, amongst others, its bankers, customers, suppliers and investors. Please refer to Section 3 of this Circular for further information on the rationale for the Proposed Capital Reduction.
Approvals required	The Proposed Capital Reduction is subject to the approval being obtained from the shareholders of LKL at the EGM to be convened. Please refer to Section 5 of this Circular for further information.
Inter-conditionality	The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company. Please refer to Section 6 of this Circular for further information.
Interest of Directors, major shareholders, chief executive and/or persons connected with them	None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction. Please refer to Section 8 of this Circular for further information.
Board's recommendation	The Board, after having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, is of the opinion that the Proposed Capital Reduction is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the special resolution pertaining to the Proposed Capital Reduction to be tabled at the Company's forthcoming EGM. Please refer to Section 9 of this Circular for further information.



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

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

26 February 2026

BOARD OF DIRECTORS

Ti Lian Seng (*Managing Director*)
Zulkarnin Bin Ariffin (*Executive Director*)
Lim Pak Hong (*Executive Director*)
Lim Ming Chang (*Non-Independent Non-Executive Director*)
Dr. Chan Jee Peng (*Independent Non-Executive Director*)
Ling Chi Hoong (*Independent Non-Executive Director*)
Ng Fun Kim (*Independent Non-Executive Director*)
Tan Su Ning (*Independent Non-Executive Director*)

To: Shareholders of LKL

Dear Sir/Madam,

PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

On 28 January 2026, SCA had, on behalf of the Board, announced that the Company proposed to undertake the Proposed Capital Reduction.

Further details of the Proposed Capital Reduction are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD ON THE PROPOSED CAPITAL REDUCTION AS WELL AS TO SEEK YOUR APPROVAL FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital, which is lost and unrepresented by available assets of RM120,000,000, which was determined by the Board after taking into consideration the Company's audited accumulated losses as at 31 December 2024 of RM50,051,910 and the unaudited accumulated losses as at 30 September 2025 of RM120,522,529. The corresponding credit of RM120,000,000 arising from such cancellation will be used to set off against the accumulated losses of the Company as permitted by the relevant and applicable laws, as well as the Company's Constitution.

As at the LPD, the Company has:

- (i) an issued share capital of RM233,474,665, comprising 388,057,256 LKL Shares;
- (ii) 81,000,000 outstanding SIS Options which are exercisable into 81,000,000 new Shares at an exercise price of RM0.0330; and
- (iii) 193,931,375 outstanding Warrants A which are exercisable into 193,931,375 new Shares at an exercise price of RM0.1700.

As at the LPD, the Company does not have any treasury shares and has undertaken not to grant any further SIS Options until the completion of the Proposed Capital Reduction.

For illustrative purposes only, the pro forma effects of the Proposed Capital Reduction on the accumulated losses of LKL Group based on its latest audited consolidated financial statements for the FYE 2024 and the unaudited consolidated financial statements of LKL Group for the 9-month FPE 30 September 2025 are set out below:

	Audited		Unaudited	
	As at 31 December 2024		As at 30 September 2025	
	Company	Group	Company	Group
	RM'000	RM'000	RM'000	RM'000
Accumulated losses	(50,052)	(80,315)	⁽¹⁾ (120,522)	(90,660)
Add:				
Credit arising from the Proposed Capital Reduction	120,000	120,000	120,000	120,000
Less:				
Estimated expenses for the Proposed Capital Reduction	(127)	(127)	(127)	(127)
Resultant retained earnings/ (accumulated losses)	69,821	39,558	(649)	29,213

Note:

- (1) The increase in accumulated losses from RM50.05 million as at 31 December 2024 to RM120.52 million as at 30 September 2025 was mainly attributable to the impairment losses on investment in subsidiaries.

The Group's accumulated losses were mainly due to the losses incurred by the Group over the past financial years as a result of, amongst others, depreciation of property, plant and equipment, impairment losses on assets and fair value adjustments on other investments.

The summary and commentaries of the financial information of the Group for the audited 15-month FPE 31 December 2022, FYE 2023 and FYE 2024 as well as the unaudited 9-month FPE 30 September 2024 and 9-month FPE 30 September 2025 are set out in **Appendix I** of this Circular.

Subject and subsequent to the approval of the Proposed Capital Reduction by the shareholders of the Company at the forthcoming EGM to be convened, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act.

For the avoidance of doubt, the Proposed Capital Reduction will not result in:

- (a) any adjustment to the price of LKL Shares and exercise price of outstanding SIS Options and Warrants A;
- (b) any change in the total number of LKL Shares in issue or the number of LKL Shares held by the Company's existing shareholders, and the number of outstanding SIS Options and Warrants A;
- (c) any payment to the Company's shareholders; and
- (d) any cash outflow or change in the NA of LKL Group, save for the estimated expenses to be incurred in relation to the Proposed Capital Reduction.

3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will enable the Company and the Group to rationalise their financial positions by reducing the accumulated losses of the Company. This is expected to enhance both the Company's and the Group's credibility with, amongst others, its bankers, customers, suppliers, and investors.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

The effects of the Proposed Capital Reduction are illustrated based on the following scenarios:

Minimum scenario : Assuming none of the 81,000,000 outstanding SIS Options and 193,931,375 outstanding Warrants A are exercised into new Shares prior to the implementation of the Proposed Capital Reduction.

Maximum scenario : Assuming all 81,000,000 outstanding SIS Options are exercised into new Shares at the exercise price of RM0.0330 and 193,931,375 outstanding Warrants A are exercised into new Shares at the exercise price of RM0.1700 prior to the implementation of the Proposed Capital Reduction.

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4.1 Share capital

The pro forma effects of the Proposed Capital Reduction on the issued share capital of the Company are as follows:

	Minimum scenario		Maximum scenario	
	No. of Shares	Share capital	No. of Shares	Share capital
	'000	RM'000	'000	RM'000
Issued share capital as at the LPD	388,057	233,475	388,057	233,475
To be issued assuming full exercise of the outstanding Warrants A	-	-	193,932	⁽¹⁾ 39,756
To be issued assuming full exercise of the outstanding SIS Options	-	-	81,000	⁽²⁾ 4,025
	<u>388,057</u>	<u>233,475</u>	<u>662,989</u>	<u>277,256</u>
Less:				
To be cancelled pursuant to the Proposed Capital Reduction	-	(120,000)	-	(120,000)
Issued share capital after the Proposed Capital Reduction	<u>388,057</u>	<u>113,475</u>	<u>662,989</u>	<u>157,256</u>

Notes:

- (1) Assuming all 193,931,375 outstanding Warrants A are exercised into new 193,931,375 Shares at the exercise price of RM0.1700 per Warrant A and after accounting for the reversal of the warrant reserve of approximately RM6.79 million, which was created after the Company listed the rights issue of 290,897,202 new ordinary shares together with 193,931,375 units of free detachable warrants in the Company on 28 March 2023.
- (2) Assuming all 81,000,000 outstanding SIS Options are exercised into new 81,000,000 Shares at the exercise price of RM0.0330 per SIS Option and after accounting for the reversal of the SIS Options reserve of approximately RM1.35 million, which was created after the Company granted 81,000,000 SIS Options to an eligible director on 29 September 2025.

4.2 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company.

4.3 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the Group's earnings and EPS for the FYE 2026.

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4.4 NA, NA per Share and gearing

The pro forma effects of the Proposed Capital Reduction on the NA, NA per Share and gearing of the Group based on the audited consolidated financial statements of the Group as at 31 December 2024 and on the assumption that the Proposed Capital Reduction had been effected on that date are as follows:

Minimum Scenario

		(I)	(II)
	Audited as at 31 December 2024	⁽¹⁾After adjustment to the subsequent events up to the LPD	After (I) and the Proposed Capital Reduction
	RM'000	RM'000	RM'000
Share capital	233,475	233,475	113,475
Warrant reserve	6,788	6,788	6,788
SIS Options reserve	-	1,352	1,352
Merger deficit	(29,580)	(29,580)	(29,580)
Retained earnings/ (accumulated losses)	(80,315)	(81,667)	⁽²⁾ 38,206
Shareholders' funds/NA	130,368	130,368	130,241
Non-controlling interests	(691)	(691)	(691)
Total equity	129,677	129,677	129,550
No. of Shares in issue ('000)	388,057	388,057	388,057
NA per Share (RM)	0.34	0.34	0.34
Total borrowings (RM'000)	53,710	53,710	53,710
Gearing (times)	0.41	0.41	0.41

Notes:

- (1) After accounting for the creation of the SIS Options reserve pursuant to the granting of 81,000,000 SIS Options to an eligible director on 29 September 2025, based on the fair value of RM0.0167 per SIS Option.
- (2) After setting off RM120.00 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of RM0.13 million in relation to the Proposed Capital Reduction.

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Maximum Scenario

	(I) Audited as at 31 December 2024	(II) ⁽¹⁾ After adjustment to the subsequent events up to the LPD	(III) ⁽²⁾ After (I) and assuming full exercise of the outstanding Warrants A and SIS Options	After (II) and the Proposed Capital Reduction
	RM'000	RM'000	RM'000	RM'000
Share capital	233,475	233,475	277,256	157,256
Warrant reserve	6,788	6,788	-	-
SIS Options reserve	-	1,352	-	-
Merger deficit	(29,580)	(29,580)	(29,580)	(29,580)
Retained earnings/(accumulated losses)	(80,315)	(81,667)	(81,667)	(38,206)
Shareholders' funds/NA	130,368	130,368	166,009	165,882
Non-controlling interests	(691)	(691)	(691)	(691)
Total equity	129,677	129,677	165,318	165,191
No. of Shares in issue ('000)	388,057	388,057	662,989	662,989
NA per Share (RM)	0.34	0.34	0.25	0.25
Total borrowings (RM'000)	53,710	53,710	53,710	53,710
Gearing (times)	0.41	0.41	0.32	0.33

Notes:

- (1) After accounting for the creation of the SIS Options reserve pursuant to the granting of 81,000,000 SIS Options to an eligible director on 29 September 2025, based on the fair value of RM0.0167 per SIS Option.
- (2) Assuming all 193,931,375 outstanding Warrants A are exercised into new 193,931,375 Shares at the exercise price of RM0.1700 per Warrant A and after accounting for the reversal of the warrant reserve of approximately RM6.79 million and assuming all 81,000,000 outstanding SIS Options are exercised into new 81,000,000 Shares at the exercise price of RM0.0330 per SIS Option and after accounting for the reversal of the SIS Options reserve of approximately RM1.35 million.
- (3) After setting off RM120.00 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of RM0.13 million in relation to the Proposed Capital Reduction.

4.5 Convertible securities

Save for the 193,931,375 outstanding Warrants A and 81,000,000 outstanding SIS Options granted by the Company, the Company does not have any other convertible securities and treasury shares as at the LPD. The Proposed Capital Reduction will not result in any adjustment to the exercise price and/or the number of outstanding Warrants A and outstanding SIS Options.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the approval being obtained from the shareholders of LKL at the EGM to be convened.

For the avoidance of doubt, the Proposed Capital Reduction is not subject to the approval of the High Court as it is carried out pursuant to Section 117 of the Act.

6. INTER-CONDITIONALITY

The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Capital Reduction, there are no other corporate exercises which have been announced but are pending completion as at the date of this Circular.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, the Board is of the opinion that the Proposed Capital Reduction is in the best interest of the Company and accordingly recommends that you to vote in favour of the special resolution in respect of the Proposed Capital Reduction to be tabled at the forthcoming EGM.

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10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Capital Reduction is expected to be completed in the second (2nd) quarter of 2026. The indicative timeline of events in relation to the Proposed Capital Reduction is set out as follows:

Tentative timeline	Events
March 2026	EGM
May 2026	• Lodgement of documents with the Registrar of Companies for the Proposed Capital Reduction • Effective date of the Proposed Capital Reduction ⁽¹⁾

Note:

(1) *Subject to receipt of Notice of Confirming Reduction of Share Capital from the Registrar of Companies.*

11. EGM

The EGM will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on the date and time indicated below or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the special resolution, with or without any modifications, to give effect to the Proposed Capital Reduction.

Day, date and time of the EGM : Wednesday, 25 March 2026 at 10:00 a.m. or at any adjournment thereof

If you are unable to attend/participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my not less than 48 hours before the date and time of the EGM. The completion and lodging of the proxy form will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, the proxy form shall be deemed to have been revoked.

12. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

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

Ti Lian Seng
Managing Director

APPENDIX I - HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The summary of the financial information of the Group for the audited 15-month FPE 31 December 2022, FYE 2023, FYE 2024 and unaudited 9-month FPE 30 September 2024 and 9-month FPE 30 September 2025 are as follows:

	Audited			Unaudited	
	⁽¹⁾ 15-month FPE 31 December 2022	FYE 2023	FYE 2024	9-month FPE 30 September 2024	9-month FPE 30 September 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	102,476	44,578	47,596	30,467	34,036
GP	14,885	16,020	11,047	6,588	8,611
LBT	(21,393)	(2,890)	(43,821)	(17,397)	(10,467)
LAT	(20,510)	(6,983)	(41,346)	(17,533)	(10,467)
LAT attributable to the owners of the Company	(20,405)	(6,978)	(41,294)	(17,547)	(10,345)
Total borrowings ⁽²⁾	10,977	32,005	53,710	29,321	46,196
Shareholders' funds/NA	130,076	171,661	130,368	154,114	120,022
Share capital	191,704	233,475	233,475	240,262	233,475
No. of Shares in issue ('000)	97,160	⁽³⁾ 388,057	388,057	388,057	388,057
Weighted average no. of Shares in issue ('000)	50,975	319,517	388,057	388,057	388,057
NA per Share (RM) ⁽⁴⁾	1.34	0.44	0.34	0.40	0.31
Basic LPS (sen) ⁽⁵⁾	(40.03)	(2.18)	(10.64)	(4.52)	(2.67)
Current ratio (times)	4.48	2.37	1.40	2.70	1.31
Gearing ratio (times)	0.08	0.19	0.41	0.19	0.39

Notes:

- (1) The Board had on 22 April 2022 announced the change of the Company's financial year end from 30 September to 31 December, hence covering a period of 15 months from 1 October 2021 to 31 December 2022.
- (2) Total borrowings comprise borrowings and lease liabilities.
- (3) The increase in number of Shares in issue for FYE 2023 was attributable to the issuance of 290,897,202 new Shares pursuant to a rights issue with warrants at the issue price of RM0.1700 per Share.
- (4) Computed by dividing the shareholders' funds/NA with the total number of Shares in issue in the respective FYE/FPE.
- (5) Computed by dividing the LAT attributable to owners of the Company with the weighted average number of Shares in issue for the respective FYE/FPE.

Commentaries:**(i) Comparison between 15-month FPE 31 December 2022 and FYE 2023**

The Group's revenue decreased by RM57.90 million or 56.50% from RM102.48 million in 15-month FPE 31 December 2022 (a decrease by RM37.40 million or 45.62% based on the annualised revenue of RM81.98 million for the 15-month FPE 31 December 2022) to RM44.58 million in FYE 2023. The Group's GP increased by RM1.13 million or 7.59% from RM14.89 million in the 15-month FPE 31 December 2022 (an increase by RM4.11 million or 34.51% based on the annualised GP of RM11.91 million for the 15-month FPE 31 December 2022) to RM16.02 million in FYE 2023. The decrease in revenue was mainly due to the decline in trading of medical furniture, medical devices, medical peripherals and accessories, and the improvement in GP was mainly due to the normalisation to the Group's historical margin levels after the cessation of pandemic-related trading activities which had low profit margins during the 15-month FPE 31 December 2022.

The Group recorded an LAT of RM6.98 million in FYE 2023, representing an improvement of RM13.53 million or 65.87% from the LAT of RM20.51 million in 15-month FPE 31 December 2022 (an improvement of RM9.43 million or 57.46% based on the annualised LAT of RM16.41 million for the 15-month FPE 31 December 2022). The improvement on the LAT was mainly attributable to the absence of non-cash adjustments recorded in the 15-month FPE 31 December 2022, which included the write down in fair value of quoted investments of RM12.80 million and impairment on aged nitrile glove inventories of RM16.06 million, coupled with improved gross profit margin following the cessation of low margin pandemic-related trading activities.

(ii) Comparison between FYE 2023 and FYE 2024

The Group's revenue increased by RM3.02 million or 6.77% from RM44.58 million in FYE 2023 to RM47.60 million in FYE 2024. The Group recorded a GP of RM11.05 million in FYE 2024, representing a decline of RM4.97 million or 31.02% from RM16.02 million in FYE 2023. The increase in revenue was mainly due to increased sales from 9 pharmacy outlets located in the major cities in Klang Valley, and the decrease in GP was mainly due to higher material costs and losses from pharmacy operations.

The Group recorded an LAT of RM41.35 million in FYE 2024, representing an increase of RM34.37 million or 492.41% compared to the LAT of RM6.98 million in FYE 2023. The higher LAT for the FYE 2024 was mainly attributable to losses in the fair value on investment in quoted shares of RM20.64 million, impairment losses on assets of RM6.59 million, depreciation and lease expenses of RM7.51 million.

(iii) Comparison between 9-month FPE 30 September 2024 and 9-month FPE 30 September 2025

The Group recorded a revenue of RM34.04 million in 9-month FPE 30 September 2025, representing an increase of RM3.57 million or 11.72% from RM30.47 million in 9-month FPE 30 September 2024. The GP of the Group increased by RM2.02 million or 30.65% from RM6.59 million in 9-month FPE 30 September 2024 to RM8.61 million in 9-month FPE 30 September 2025. The increase in revenue was mainly due to increased demand and deliveries from the medical peripherals and accessories, medical devices, healthcare, and pharmaceutical segments. The increase in GP was mainly due to higher revenue and slight improvement in GP margin driven by better product mix and operational efficiencies.

The Group recorded an LAT of RM10.47 million in 9-month FPE 30 September 2025, representing a decrease of RM7.06 million or 40.27% from RM17.53 million in 9-month FPE 30 September 2024. The lower LAT was mainly due to fair value gain on quoted investments of RM5.19 million.

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

SCA, as the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

As at the LPD, SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Capital Reduction.

4. MATERIAL CONTRACTS

Save as disclosed below, the Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within two (2) years immediately preceding the date of this Circular:

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

On 17 March 2025, LKLAM and KWSP entered into a Supplemental Sale and Purchase Agreement wherein the parties agreed that the completion date of the SPA falls on 2 January 2025, for the payment of the financing/loan obtained by LKLAM from its financier amounting to RM19,200,000. The vacant possession of the Building was subsequently delivered on 20 March 2025, thereby completing the acquisition.

- (ii) On 5 April 2024, Aluxcare Wellness Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mediconstant Pharmacy (Ampang) Sdn. Bhd. for the acquisition of the business of three (3) pharmacy outlets including associated rights, properties, assets and inventory for a total purchase consideration of RM4,800,000.00. The acquisition was completed on 26 November 2024.

5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, the Board confirmed that the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group:

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

On 26 July 2021, LKLAM filed a Writ and Statement of Claim in the High Court in Kuala Lumpur bearing suit number WA-22NCC-331-07/2021 ("**Suit**") against Crecom Burj Gloves Sdn. Bhd. ("**1st Defendant**"), Crecom Burj Group Sdn. Bhd. ("**2nd Defendant**"), Datin Roslinda Binti Jaafar, Khairil Anuar Bin A. Rahman, Nurul Ashikin Binti Muhammad Muhiyuddin, Chew Seng Ker and Nurul Balqis Binti Khairul Anuar (collectively referred to as "**3rd to 7th Defendants**"). LKLAM is claiming against defendants for the return of RM12,540,757 being payment made by LKLAM for the purchase of gloves from 2nd Defendant pursuant to the purchase agreement dated 2 October 2020.

On 23 August 2022, the 2nd Defendant has been wound up by the Kuala Lumpur High Court. LKLAM has filed a post-winding up suit no. WA-28PW-620-12/2022 to obtain leave from the Kuala Lumpur High Court to continue the proceeding against the 2nd Defendant.

On 29 September 2022, the 1st Defendant has been wound up by the Shah Alam High Court. LKLAM has filed a post-winding up suit no. BA-28PW-314-12/2022 to obtain leave from the Shah Alam High Court to continue the proceeding against the 1st Defendant.

On 17 November 2023, Consent Judgment was entered between LKLAM and the 1st Defendant whereby the official receiver for the 1st Defendant had admitted its debt against LKLAM for RM12,542,784. Proof of debt against the 1st Defendant was filed.

On 19 September 2024, the High Court has granted direction for LKLAM to file its proof of debt against the 2nd Defendant for RM12,542,784, as the official receiver for the 2nd Defendant had no objections on the same. Proof of debt against the 2nd Defendant was filed.

During the last case management on 4 November 2024, the Court recorded that the claims against the 3rd to 7th Defendants are withdrawn with liberty to file afresh and no order as to costs. The trial dates fixed from 28 July to 1 August 2025 are thereby vacated. There is no further action to be taken in relation to this Suit as the claim has been withdrawn.

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

On 24 December 2024, LKLAM 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**"), among others, 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 ("**JID**") against Manico for a sum RM2,000,000 and costs of RM1,500.

Pursuant to the JID, LKLAM filed a Winding Up Petition No. B-28NCC-200-03/2025 against Manico and successfully wound up Manico on 24 June 2025.

(iii) LKL vs The Edge Communications Sdn. Bhd. (WA-23NCvC-50-05/2021)

On 25 May 2021, the Company 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 is fixed for trial on 16 March 2026 to 18 March 2026.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of LKL at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of LKL;
- (ii) LKL's audited consolidated financial statements for the FYE 2023 and FYE 2024 as well as the unaudited consolidated financial statements for the 9-month FPE 30 September 2025;
- (iii) the letter of consent and conflict of interest as referred to in **Sections 2 and 3** of this **Appendix**;
- (iv) the material contracts as referred to in **Section 4** of this **Appendix**; and
- (v) the relevant cause papers in respect of material litigation referred to in **Section 5** of this **Appendix**.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM" or "Meeting") of LKL International Berhad ("LKL" or "the Company") will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 March 2026 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without any modifications:-

SPECIAL RESOLUTION

PROPOSED REDUCTION OF RM120,000,000 OF THE ISSUED SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED CAPITAL REDUCTION")

"THAT subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby given for the Proposed Capital Reduction entailing the reduction of the issued share capital of the Company pursuant to Section 117 of the Act via the cancellation of the Company's issued share capital, which is lost and unrepresented by available assets of RM120,000,000. The corresponding credit of RM120,000,000 arising from such cancellation will be used to set off against the accumulated losses of the Company;

AND THAT the Board of Directors of the Company ("Board") be and is hereby authorised and empowered to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Capital Reduction, with full powers to assent to any conditions or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Capital Reduction."

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)

THIEN MUI YEE (LS0010901) (SSM PC NO.: 202508000287)

Company Secretaries

Petaling Jaya, Selangor Darul Ehsan

Date: 26 February 2026

Notes:

- (a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned meeting, as the case may be.
- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 16 March 2026. Only members whose names appear in the General Meeting Record of Depositors as at 16 March 2026 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- (h) The resolution as set out in this Notice of Meeting will be put to a vote by poll.
- (i) The members are advised to refer to the Administrative Notes on the registration and voting process for the Meeting.
- (j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at <https://www.lklbeds.com> for the latest updates on the status of the Meeting.



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

PROXY FORM

CDS Account No.
No. of Shares held

I/We*

_____ (Full name in block and NRIC No. / Registration No.)

of

_____ (Address)

with email address _____

contact no. _____

being a member of LKL International Berhad ("the Company"), hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact no.		

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact no.		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("EGM" or "Meeting") of LKL International Berhad ("LKL" or "the Company") to be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 March 2026 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Special Resolution	For	Against
1.	Proposed Capital Reduction		

* delete whichever is not applicable

Dated this day of 2026

.....
Signature(s) of Member(s) / Common Seal



Notes:

- (a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
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- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of
LKL INTERNATIONAL BERHAD
Registration No. 201501014673 (1140005-V)
c/o Prosec Share Registration Sdn. Bhd.
DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

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