



ELK-DESA RESOURCES BERHAD

(Company No: 198901002858 (180164-X))

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
31 MARCH 2025**

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****For the financial period ended 31 March 2025**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM	RM	RM	RM
Revenue	53,019,644	46,634,773	196,684,271	167,776,182
Other income	146,072	636,864	2,312,548	2,010,969
Cost of inventories sold	(12,865,212)	(11,323,994)	(44,628,160)	(35,733,165)
Depreciation of PPE & right-of-use assets	(636,865)	(608,917)	(2,459,934)	(2,503,727)
Impairment allowance	(12,605,633)	(7,432,129)	(44,501,437)	(26,744,296)
Other expenses	(12,597,642)	(11,289,125)	(47,349,344)	(43,515,336)
Finance costs	(4,666,802)	(3,520,886)	(16,367,171)	(12,256,706)
Share of Results of Associates, Net of Tax	2,723	5,220	28,918	5,220
Profit before taxation	9,796,285	13,101,806	43,719,691	49,039,141
Taxation	(2,390,686)	(3,392,731)	(11,073,183)	(12,380,996)
Profit for the financial period	7,405,599	9,709,075	32,646,508	36,658,145
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	7,405,599	9,709,075	32,646,508	36,658,145
Earnings per ordinary share - basic (sen)	1.63	2.13	7.18	8.06
Earnings per ordinary share - diluted (sen)	1.63	2.13	7.18	8.06

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2024)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

(The figures have not been audited.)

	As at 31.03.2025 RM	As at 31.03.2024 RM
ASSETS		
Non-current assets		
Property, plant and equipment	33,103,262	33,325,532
Investment in associate	3,320,138	4,035,220
Other investment	744,000	-
Hire purchase receivables	559,220,101	493,757,125
Right-of-use assets	3,400,305	4,379,086
Deferred tax assets	5,922,678	5,854,201
	605,710,484	541,351,164
Current assets		
Inventories	14,238,154	15,657,348
Other assets	4,475,840	2,489,347
Trade receivables	25,410,606	19,325,481
Hire purchase receivables	157,205,745	147,992,055
Financing receivables	65,786	55,744
Other receivables, deposits and prepayments	1,646,303	1,396,770
Current tax assets	85,189	817,598
Short term funds	65,501,253	63,984,908
Cash and bank balances	18,516,205	13,878,959
	287,145,081	265,598,210
Total assets	892,855,565	806,949,374
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	351,493,098	351,493,098
Retained earnings	141,829,468	131,923,383
Total equity	493,322,566	483,416,481
LIABILITIES		
Non-current liabilities		
Block discounting payables - secured	230,643,418	194,958,860
Lease liabilities	2,818,140	3,742,358
	233,461,558	198,701,218
Current liabilities		
Trade payables	7,162,417	7,300,266
Other payables and accruals	9,195,903	9,540,784
Block discounting payables - secured	101,623,354	83,912,739
Term loan - unsecured	-	2,298,000
Revolving Credit - secured	22,000,000	20,000,000
Lease liabilities	1,034,051	1,054,600
Bank overdraft	21,695,916	-
Current tax liabilities	3,359,800	725,286
	166,071,441	124,831,675
Total liabilities	399,532,999	323,532,893
TOTAL EQUITY AND LIABILITIES	892,855,565	806,949,374
Net assets per share	1.08	1.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2024)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 March 2025
(The figures have not been audited.)

	Number of Issued Shares Units	Share Capital RM	Retained Earnings RM	Total Equity RM
Balance as at 1 April 2023	454,808,456	351,493,098	120,279,736	471,772,834
Total comprehensive income	-	-	36,658,145	36,658,145
Second interim dividend for financial year ended 31 March 2023	-	-	(15,918,329)	(15,918,329)
Interim dividend for financial year ended 31 March 2024	-	-	(9,096,169)	(9,096,169)
Balance as at 31 March 2024	454,808,456	351,493,098	131,923,383	483,416,481
Balance as at 1 April 2024	454,808,456	351,493,098	131,923,383	483,416,481
Total comprehensive income	-	-	32,646,508	32,646,508
Second interim dividend for financial year ended 31 March 2024	-	-	(13,644,254)	(13,644,254)
Interim dividend for financial year ended 31 March 2025	-	-	(9,096,169)	(9,096,169)
Balance as at 31 March 2025	454,808,456	351,493,098	141,829,468	493,322,566

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2024)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial period ended 31 March 2025**

(The figures have not been audited.)

	12 months ended	
	31.03.2025	31.03.2024
	RM	RM
<u>Cash flows from operating activities</u>		
Profit before taxation	43,719,691	49,039,141
Adjustment for :		
Depreciation of property, plant and equipment	1,240,830	1,304,729
Depreciation of right-of-use assets	1,219,104	1,198,998
Fair value (gain)/loss on short term funds	269,572	-
Gain on disposal of property, plant and equipment	-	(62,532)
Derecognition of right-of-use assets	(807)	-
Property, plant and equipment written off	3,748	-
Inventories written down	14,061	562,989
Impairment allowances made for the financial year:		
- hire-purchase receivables	48,402,765	29,787,008
- trade receivables	453,659	366,197
Interest expense	16,131,480	11,974,334
Interest on lease liabilities	235,691	282,372
Interest income	(462,713)	(421,067)
Income from short term funds	(967,209)	(462,520)
Unrealised loss/(gain) on foreign exchange	14,091	(33,855)
Share of (profit)/loss of associate	(28,918)	(5,220)
Operating profit before working capital changes	110,245,045	93,530,574
Changes in working capital:		
Inventories	1,405,133	1,001,109
Other assets	(1,986,493)	(1,788,470)
Hire purchase receivables	(123,079,431)	(96,433,242)
Financing receivables	(10,042)	(55,744)
Trade receivables	(6,552,875)	(2,034,643)
Other receivables, deposits and prepayments	(249,533)	66,072
Trade payables	(138,318)	3,667,756
Other payables and accruals	(343,147)	1,696,678
	(130,954,706)	(93,880,484)
Cash (used in)/generated from operations	(20,709,661)	(349,910)
Tax paid	(7,774,737)	(11,085,462)
Tax refunded	-	356,879
Net cash (used in)/from operating activities	(28,484,398)	(11,078,493)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(1,022,308)	(1,518,375)
Purchase of unquoted shares	-	(4,030,000)
Proceeds from disposal of property, plant and equipment	-	151,236
Interest received	462,713	421,067
Income received from short term funds	967,209	462,520
Net cash (used in)/from investing activities	407,614	(4,513,552)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the financial period ended 31 March 2025**

(The figures have not been audited.)

	12 months ended	
	31.03.2025	31.03.2024
	RM	RM
<u>Cash flows from financing activities</u>		
Net repayment of term loans	(2,298,000)	(4,008,000)
Net drawdown/(repayment) of block discounting payables	53,706,095	87,616,881
Net drawdown/(repayment) of revolving credit	2,000,000	20,000,000
Interest paid	(16,443,668)	(12,431,247)
Repayment of lease liabilities	(1,419,973)	(1,375,923)
Dividend paid	(22,740,423)	(25,014,498)
Net cash from/(used in) financing activities	12,804,031	64,787,213
Net (decrease)/increase in cash and cash equivalents during the financial period	(15,272,753)	49,195,168
Effects of fair value changes on cash and cash equivalents	(269,572)	-
Cash and cash equivalents as at beginning of financial year	77,863,867	28,668,699
Cash and cash equivalents as at end of financial period	62,321,542	77,863,867
<u>Composition of cash and cash equivalents</u>		
Deposits, cash and bank balances	18,516,205	13,878,959
Bank overdraft	(21,695,916)	-
Short term funds	65,501,253	63,984,908
	62,321,542	77,863,867

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2024)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

A1 Accounting Policies And Basis Of Preparation

The interim financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements are unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2024, which had been prepared in accordance with Malaysian Financial Reporting Standards (MFRS).

The accounting policies adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2024 except for the adoption of new MFRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning or after 1 April 2024.

On 1 April 2024, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

Title		Effective Date
Amendments to MFRS 16	<i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7	<i>Supplier Finance Arrangements</i>	1 January 2024

Application of the above accounting standards, amendments and interpretations are not expected to have a material impact on the financial statements of the Group.

A2 Seasonal and Cyclical Factors

Generally, the Group's revenue will benefit from higher consumer spendings during festive seasons in Malaysia.

A3 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items that may affect the amount stated in the interim financial statements during the financial year ended 31 March 2025.

A4 Change in Estimates

There were no changes in estimates that had any material effect for the financial year ended 31 March 2025.

A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year ended 31 March 2025.

A6 Dividend Paid

On 20 June 2024, the Company had paid a second interim single tier dividend of 3.00 sen per share in respect of the financial year ended 31 March 2024, the dividend amounting to RM13.64 million.

On 18 December 2024, the Company had paid a single-tier interim dividend of 2.00 sen per share for the financial year ended 31 March 2025 amounting to RM9.10 million.

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<u>Quarter Ended 31 March 2025</u>			
Revenue (External)	32,900,308	20,119,336	53,019,644
Other income	120,854	25,218	146,072
Cost of inventories sold	-	(12,865,212)	(12,865,212)
Depreciation of PPE & right-of-use assets	(317,639)	(319,226)	(636,865)
Impairment allowance	(12,459,604)	(146,029)	(12,605,633)
Other expenses	(7,411,934)	(5,185,708)	(12,597,642)
Finance costs	(4,643,062)	(23,740)	(4,666,802)
Share of Results of Associates, Net of Tax	-	2,723	2,723
Profit before tax	8,188,923	1,607,362	9,796,285

Quarter Ended 31 March 2024

Revenue (External)	30,073,331	16,561,442	46,634,773
Other income	597,007	39,857	636,864
Cost of inventories sold	-	(11,323,994)	(11,323,994)
Depreciation of PPE & right-of-use assets	(319,934)	(288,983)	(608,917)
Impairment allowance	(7,337,351)	(94,778)	(7,432,129)
Other expenses	(7,394,838)	(3,894,287)	(11,289,125)
Finance costs	(3,490,057)	(30,829)	(3,520,886)
Share of Results of Associates, Net of Tax	-	5,220	5,220
Profit before tax	12,128,158	973,648	13,101,806

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<u>12 Months Ended 31 March 2025</u>			
Revenue (External)	128,039,483	68,644,788	196,684,271
Other income	2,201,898	110,650	2,312,548
Cost of inventories sold	-	(44,628,160)	(44,628,160)
Depreciation of PPE & right of use assets	(1,246,605)	(1,213,329)	(2,459,934)
Impairment allowance	(44,064,107)	(437,330)	(44,501,437)
Other expenses	(29,277,821)	(18,071,523)	(47,349,344)
Finance costs	(16,262,871)	(104,300)	(16,367,171)
Share of Results of Associates, Net of Tax	-	28,918	28,918
Profit before tax	39,389,977	4,329,714	43,719,691
Segment assets	821,321,407	71,534,158	892,855,565
Segment liabilities	394,061,747	5,471,252	399,532,999

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<u>12 Months Ended 31 March 2024</u>			
Revenue (External)	113,227,038	54,549,144	167,776,182
Other income	1,855,953	155,016	2,010,969
Cost of inventories sold	-	(35,733,165)	(35,733,165)
Depreciation of PPE & right-of-use assets	(1,356,692)	(1,147,035)	(2,503,727)
Impairment allowance	(26,385,893)	(358,403)	(26,744,296)
Other expenses	(29,159,764)	(14,355,572)	(43,515,336)
Finance costs	(12,127,278)	(129,428)	(12,256,706)
Share of Results of Associates, Net of Tax	-	5,220	5,220
Profit before tax	46,053,364	2,985,777	49,039,141
Segment assets	738,466,255	68,483,119	806,949,374
Segment liabilities	317,963,680	5,569,213	323,532,893

A8 Subsequent Events

There was no material event subsequent to the current quarter.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the financial year ended 31 March 2025.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and assets for the Group as at 31 March 2025.

A11 Capital Commitments

There were no material capital commitments for the purchase of property, plant and equipment as at the end of the financial year ended 31 March 2025.

A12 Related Party Disclosures

There was no significant related party transaction during the financial year ended 31 March 2025.

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

B1 Review of Performance**YEAR TO DATE AND CURRENT QUARTER (FY2025-Q4 vs FY2024-Q4)**

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2025	31.03.2024			31.03.2025	31.03.2024		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	53,019,644	46,634,773	6,384,871	14%	196,684,271	167,776,182	28,908,089	17%
Profit before interest and tax	14,463,087	16,622,692	(2,159,605)	-13%	60,086,862	61,295,847	(1,208,985)	-2%
Profit before taxation	9,796,285	13,101,806	(3,305,521)	-25%	43,719,691	49,039,141	(5,319,450)	-11%

GROUP	As at		Variance	Variance
	31.03.2025	31.03.2024		
	RM	RM	RM	%
Hire Purchase Receivables	716,425,846	641,749,180	74,676,666	12%
Bank Borrowings	375,962,688	301,169,599	74,793,089	25%

The Group's revenue for the quarter increased by 14% to RM53.02 million due to higher contribution from both hire purchase and furniture segments. The Group's profit before tax for the quarter decreased by 25% to RM9.80 million mainly due to lower contribution from hire purchase segment.

Hire purchase receivables as at 31 March 2025 stood at RM716.43 million, which is 12% higher than the previous year that is in line with the Group's strategy to grow its hire purchase receivables.

The Group's bank borrowings increased by 25% to support the increased hire purchase receivables. Nevertheless, the Group's gearing remains at a manageable level of 0.76 times as compared to 0.62 times one year ago.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2025	31.03.2024			31.03.2025	31.03.2024		
	RM	RM			RM	RM		
Revenue	32,900,308	30,073,331	2,826,977	9%	128,039,483	113,227,038	14,812,445	13%
Profit before interest and tax	12,831,985	15,618,215	(2,786,230)	-18%	55,652,848	58,180,642	(2,527,794)	-4%
Profit before taxation	8,188,923	12,128,158	(3,939,235)	-32%	39,389,977	46,053,364	(6,663,387)	-14%

Revenue increased by 9% to RM32.90 million mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 70% to RM12.46 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) increased from 1.11% to 1.70%. The higher impairment allowance and credit loss charge were mainly due to the slower hirer repayment.

Net impaired loans ratio increased from 0.50% as at 31 December 2024 to 0.60% as at 31 March 2025, due to higher level of impairment provision for the impaired loans.

Cost to income ratio stood at 27% during the quarter as compared to 28% in the previous corresponding quarter. Finance cost increased by 33% to RM4.64 million mainly due to the higher borrowings to support the increased hire purchase receivables.

The profit before tax decreased by 32% to RM8.19 million mainly due to higher impairment allowances during the quarter.

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2025	31.03.2024			31.03.2025	31.03.2024		
	RM	RM			RM	RM		
Revenue	20,119,336	16,561,442	3,557,894	21%	68,644,788	54,549,144	14,095,644	26%
Profit before interest and tax	1,631,102	1,004,477	626,625	62%	4,434,014	3,115,205	1,318,809	42%
Profit before taxation	1,607,362	973,648	633,714	65%	4,329,714	2,985,777	1,343,937	45%

Revenue increased by 21% to RM20.12 million mainly due to higher domestic furniture sales as compared to the previous corresponding quarter. Gross profit margin increased from 31.6% to 36.1%.

Impairment allowance increased by 54% to RM0.15 million mainly due to slower repayment from the local furniture dealers as compared to the previous corresponding quarter.

Other expenses increased by 33% to RM5.19 million mainly due to higher selling and distribution cost resulting from shipping costs to East Malaysia and operating costs that was in line with the increase in furniture sales.

The segment recorded a higher profit before tax of RM1.61 million mainly due to higher furniture sales and higher gross profit margin for the quarter ended 31 March 2025.

YEAR-TO-DATE (FY2025 YTD vs FY2024 YTD)

The Group's revenue increased by 17% to RM196.68 million mainly due to higher contribution from both hire purchase and furniture segments. However, the Group's profit before tax decreased by 11% to RM43.72 million mainly due to lower contribution from hire purchase segment.

Hire Purchase Segment

Revenue increased by 13% to RM128.04 million mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 67% to RM44.06 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) increased from 4.12% to 6.34%. The higher impairment allowance and credit loss charge were mainly due to the slower repayment from hirers in this financial period.

The net impaired loans ratio increased from 0.56% as at 31 March 2024 to 0.60% as at 31 March 2025 due to higher level of impairment provision for the impaired loans.

Cost to income ratio stood at 27% in this financial period as compared to 30% in the previous corresponding period.

Finance cost increased by 34% to RM16.26 million due to higher borrowings to support the increased hire purchase receivables.

The profit before tax for the twelve (12) months period decreased by 14% from RM46.05 million to RM39.39 million mainly due to higher impairment allowance.

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Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

Furniture Segment

Revenue increased by 26% to RM68.64 million mainly due to higher furniture sales in this financial period as compared to the previous corresponding period. The gross profit margin increased from 34% to 35%.

Impairment allowance increased to RM0.44 million mainly due to slower repayment from furniture dealers in this financial period as compared to the previous corresponding period.

Other expenses increased by 26% to RM18.07 million mainly due to higher selling, distribution and operating costs which was in line with the increase in furniture sales.

The segment recorded a higher profit before tax of RM4.33 million for the twelve (12) months period ended 31 March 2025 mainly due to higher furniture sales.

B2 Comparison of Results with Preceding Quarter

GROUP	Current Quarter	Immediate Preceding Quarter	Variance	Variance
	31.03.2025	31.12.2024		
	RM	RM	RM	%
Revenue	53,019,644	51,347,276	1,672,368	3%
Profit before interest and tax	14,463,087	15,951,441	(1,488,354)	-9%
Profit before taxation	9,796,285	11,852,274	(2,055,989)	-17%
Hire purchase receivables	716,425,846	715,907,588	518,258	0%
Bank borrowings	375,962,688	363,462,111	12,500,577	3%

The Group's profit before tax for the current quarter of RM9.80 million was lower as compared to RM11.85 million of the immediate preceding quarter mainly due to a lower profit contribution from hire purchase segment in the current quarter.

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

B3 Prospects and Outlook

Bank Negara Malaysia (“BNM”) projects the Malaysian economy to grow between 4.5% and 5.5% in 2025, driven by sustained domestic demand, robust investment activities, and resilient household spending. However, this outlook is subject to revision due to escalating global trade tensions, including the ongoing tariff war, which may affect the domestic labour market and disrupt Malaysia’s export activities.

Inflation is anticipated to trend higher in 2025, with headline inflation projected between 2.0% and 3.5%, and core inflation between 1.5% and 2.5%. The implementation of domestic policy reforms such as fuel subsidy rationalisation - particularly the potential impact of RON95 price adjustments - and the expansion of the sales and services tax are expected to be key inflationary drivers.

Moving forward, we are paying very close attention to emerging macroeconomic risks. These include uncertainties in global trade, with rising shipping costs possibly impacting cost of living. While some of these costs may be temporarily offset by significantly lower priced products entering our market, we also have to be mindful of how the influx of these products impact local players.

Volatility in global financial markets could also affect consumer sentiment. Moreover, in the automotive sector, the aggressive pricing strategy by Chinese electric vehicle (“EV”) manufacturers is beginning to alter the competitive landscape, forcing downward price adjustments on internal combustion engine (“ICE”) vehicles. This trend could influence overall demand patterns and residual values of ICE vehicles, with implications for credit risk and asset recovery in our hire purchase segment.

Looking ahead to FY2026, ELK-Desa remains committed to sustainable growth, focusing on expanding our hire purchase portfolio within our niche and underserved market segment. We will continue leveraging internally generated funds and bank borrowings, with no immediate plans to raise funds through capital markets, given our solid balance sheet.

In the furniture segment, to further strengthen our competitive edge, our strategy remains focused on enhancing logistics and product variety across all geographical locations in Malaysia, specifically reinforcing our wholesale presence in Sabah and Sarawak.

Despite the macroeconomic and sectoral headwinds, the Board of Directors remain confident in the Group’s resilience and its ability to deliver long-term value to shareholders and stakeholders as we transition into FY2026 and beyond.

B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

B5 Taxation

Tax charge for the quarter and financial period ended 31 March 2025 are set out below:

	3 months ended 31.03.2025 RM	12 months ended 31.03.2025 RM
(a) Income Tax	1,733,387	11,141,660
(b) Deferred Taxation	657,299	(68,477)
	<u>2,390,686</u>	<u>11,073,183</u>
Effective tax rate	24%	25%

The effective tax rate of the Group for the current quarter ended 31 March 2025 is approximate to the statutory income tax rate.

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Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2025

B6 Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced for the Group as at the reporting date.

B7 Group Borrowings & Debt Securities

The Group did not have any borrowings or debt securities that were denominated in foreign currency.

Borrowings	As at 31.03.2025 RM	As at 31.03.2024 RM
Block Discounting Payables - within 1 year	101,623,354	83,912,739
(Fixed rate and secured) - later than 1 year	230,643,418	194,958,860
	332,266,772	278,871,599
Term Loan - within 1 year	-	2,298,000
(Floating rate and secured) - later than 1 year	-	-
	-	2,298,000
Bank overdraft (Floating rate and secured)	21,695,916	-
Revolving Credit (Floating rate and secured)	22,000,000	20,000,000
Total Borrowings	<u>375,962,688</u>	<u>301,169,599</u>
Gearing ratio (times)	0.76	0.62

B8 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B9 Dividend

The Board of Directors has declared a second single tier interim dividend of 2.50 sen per share in respect of the current financial year ended 31 March 2025. The dividend will be paid on 26 June 2025 to the shareholders whose name appear in the record of depositors of the Company as at 16 June 2025.

In addition to the first interim single tier interim dividend of 2.00 sen per share which was paid on 18 December 2024, the total dividend for the financial year ended 31 March 2025 would be 4.50 sen per share (FY2024: 5.00 sen). This represents a dividend pay out ratio of approximately 62% of the net profit, which is higher than the dividend policy of 60% set by the Board.

With the declaration of the second interim dividend, the Board of Directors will not recommend any final dividend for the financial year ended 31 March 2025.

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Notes to the Interim Financial Statements
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B10 Earnings Per Share

Basic earnings per share was calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue during the financial period.

	Quarter ended 31.03.2025	Quarter ended 31.03.2024	Year to date 31.03.2025	Year to date 31.03.2024
Profit after taxation (RM)	7,405,599	9,709,075	32,646,508	36,658,145
Weighted average number of ordinary	454,808,456	454,808,456	454,808,456	454,808,456
Basic earnings per ordinary share (sen)	1.63	2.13	7.18	8.06

Diluted earnings per share is equivalent to the basic earnings per share as the Group has no dilutive potential ordinary shares during the current and prior financial years.

B11 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2024 was not qualified.

B12 Notes to the Statement of Comprehensive Income

	3 months ended 31.03.2025 RM	12 months ended 31.03.2025 RM
Profit before taxation is arrived at after charging:		
Interest expense	4,612,127	16,131,480
Interest on lease liabilities	54,675	235,691
Fair value (gain)/ loss on short term funds	(22,705)	269,572
Inventories (reversal) / written down	(132,465)	14,061
And crediting :		
Interest	519,726	1,429,922
Unrealised foreign exchange gain / (loss)	(28,048)	(14,091)
Realised foreign exchange gain / (loss)	(17,072)	(297,426)