

ELK-DESA[®]

ELK-DESA RESOURCES BERHAD

(Company No: 198901002858 (180164-X))

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
31 MARCH 2026**

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 2026
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM	RM	RM	RM
Revenue	54,543,009	53,019,644	203,909,079	196,684,271
Other income	2,425,372	146,072	4,494,494	2,312,548
Cost of inventories sold	(12,568,725)	(12,865,212)	(43,902,001)	(44,628,160)
Depreciation of PPE & right-of-use assets	(885,247)	(636,865)	(3,153,473)	(2,459,934)
Impairment allowances on receivables, net of reversal	(13,507,563)	(12,605,633)	(49,296,587)	(44,501,437)
Other expenses	(13,922,986)	(12,597,642)	(51,477,260)	(47,349,344)
Finance costs	(4,761,658)	(4,666,802)	(18,952,612)	(16,367,171)
Share of profit of an associate, net of tax	-	2,723	-	28,918
Profit before taxation	11,322,202	9,796,285	41,621,640	43,719,691
Taxation	(2,474,309)	(2,390,686)	(10,069,755)	(11,073,183)
Profit for the financial period	8,847,893	7,405,599	31,551,885	32,646,508
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Fair value (loss)/gain on other investments at fair value through other comprehensive income ("FVOCI")	(2,109,447)	-	500,340	-
Total comprehensive income	6,738,446	7,405,599	32,052,225	32,646,508
Earnings per ordinary share - basic (sen)	2.02	1.63	7.07	7.18
Earnings per ordinary share - diluted (sen)	2.02	1.63	7.07	7.18

(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 2025)

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

As at 31 March 2026

(The figures have not been audited.)

	As at 31.03.2026 RM	As at 31.03.2025 RM
ASSETS		
Non-current assets		
Property, plant and equipment	33,570,754	33,103,262
Investment in an associate	-	3,320,138
Other investment	6,673,924	744,000
Hire purchase receivables	570,240,627	559,220,101
Right-of-use assets	11,379,509	3,400,305
Deferred tax assets	4,537,711	5,922,678
	626,402,525	605,710,484
Current assets		
Inventories	13,142,269	14,238,154
Other assets	3,902,094	4,475,840
Trade receivables	24,458,198	25,410,606
Hire purchase receivables	157,255,064	157,205,745
Financing receivables	53,669	65,786
Other receivables, deposits and prepayments	1,436,673	1,646,303
Current tax assets	1,002	85,189
Short term funds	34,463,179	65,501,253
Cash and bank balances	29,567,325	18,516,205
	264,279,473	287,145,081
Total assets	890,681,998	892,855,565
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	351,493,098	351,493,098
Treasury shares	(20,290,156)	-
Reserves	153,770,881	141,829,468
Total equity	484,973,823	493,322,566
LIABILITIES		
Non-current liabilities		
Block discounting payables - secured	227,470,723	230,643,418
Lease liabilities	10,140,256	2,818,140
Bank overdraft	18,550,000	-
	256,160,979	233,461,558
Current liabilities		
Trade payables	4,954,950	7,162,417
Other payables and accruals	8,506,595	9,195,903
Block discounting payables - secured	106,740,031	101,623,354
Fixed loan - secured	334,957	-
Revolving Credit - secured	19,000,000	22,000,000
Lease liabilities	1,820,737	1,034,051
Bank overdraft	6,600,000	21,695,916
Current tax liabilities	1,589,926	3,359,800
	149,547,196	166,071,441
Total liabilities	405,708,175	399,532,999
TOTAL EQUITY AND LIABILITIES	890,681,998	892,855,565
Net assets per share	1.11	1.08

(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 2025)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 March 2026
(The figures have not been audited.)

	←	<u>Non-distributable</u>	→	<u>Distributable</u>	
	Share Capital RM	Treasury Shares RM	FVOCI Reserve RM	Retained Earnings RM	Total Equity RM
Balance as at 1 April 2024	351,493,098	-	-	131,923,383	483,416,481
Total comprehensive income	-	-	-	32,646,508	32,646,508
Second interim single tier dividend for financial year ended 31 March 2024	-	-	-	(13,644,254)	(13,644,254)
Interim single tier dividend for financial year ended 31 March 2025	-	-	-	(9,096,169)	(9,096,169)
Balance as at 31 March 2025	351,493,098	-	-	141,829,468	493,322,566
Balance as at 1 April 2025	351,493,098	-	-	141,829,468	493,322,566
Purchase of treasury shares	-	(20,290,156)	-	-	(20,290,156)
Total comprehensive income	-	-	500,340	31,551,885	32,052,225
Second interim single tier dividend for financial year ended 31 March 2025	-	-	-	(11,293,243)	(11,293,243)
Interim single tier dividend for financial year ended 31 March 2026	-	-	-	(8,817,569)	(8,817,569)
Balance as at 31 March 2026	351,493,098	(20,290,156)	500,340	153,270,541	484,973,823

(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 2025)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 March 2026
(The figures have not been audited.)

	12 months ended	
	31.03.2026	31.03.2025
	RM	RM
<u>Cash flows from operating activities</u>		
Profit before taxation	41,621,640	43,719,691
Adjustment for :		
Depreciation of property, plant and equipment	1,487,850	1,240,830
Depreciation of right-of-use assets	1,665,623	1,219,104
Unrealised fair value (gain)/loss on short term funds	(73,596)	269,572
Gain on disposal of property, plant and equipment	(21,263)	-
Gain on distribution from an associate under liquidation	(2,109,446)	-
Derecognition of right-of-use assets	(484)	(807)
Property, plant and equipment written off	3,467	3,748
Inventories (reversal of written down)/written down	(445,081)	14,061
Impairment allowances:		
- hire purchase receivables	53,725,429	48,402,765
- trade receivables	(13,076)	453,659
Dividend income	(124,700)	-
Interest expense	18,499,005	16,131,480
Interest on lease liabilities	453,607	235,691
Interest income	(544,766)	(462,713)
Income from short term funds	(1,176,714)	(967,209)
Unrealised (gain)/loss on foreign exchange	(7,371)	14,091
Share of profit of an associate	-	(28,918)
Operating profit before working capital changes	112,940,124	110,245,045
Changes in working capital:		
Inventories	1,540,966	1,405,133
Other assets	573,746	(1,986,493)
Hire purchase receivables	(64,795,274)	(123,079,431)
Financing receivables	12,117	(10,042)
Trade receivables	972,855	(6,552,875)
Other receivables, deposits and prepayments	209,630	(249,533)
Trade payables	(2,207,467)	(138,318)
Other payables and accruals	(686,218)	(343,147)
	(64,379,645)	(130,954,706)
Cash generated from/(used in) operations	48,560,479	(20,709,661)
Tax paid	(11,366,749)	(7,774,737)
Tax refunded	996,274	-
Net cash from/(used in) operating activities	38,190,004	(28,484,398)

ELK-DESA RESOURCES BERHAD (Company No: 198901002858 (180164-X))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 March 2026
(The figures have not been audited.)

	12 months ended	
	31.03.2026	31.03.2025
	RM	RM
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(1,958,896)	(1,022,308)
Proceeds from disposal of property, plant and equipment	21,350	-
Dividend received from other investment	124,700	-
Interest received	544,766	462,713
Income received from short term funds	1,176,714	967,209
Net cash (used in)/from investing activities	(91,366)	407,614
<u>Cash flows from financing activities</u>		
Net repayment of term loans	-	(2,298,000)
Net drawdown of fixed loan	322,718	-
Net drawdown of block discounting payables	1,949,896	53,706,095
Net (repayment)/drawdown of revolving credit	(3,000,000)	2,000,000
Interest paid	(18,495,770)	(16,443,668)
Payments of lease liabilities	(1,989,148)	(1,419,973)
Dividend paid	(20,110,812)	(22,740,423)
Purchase of treasury shares	(20,290,156)	-
Net (used in)/cash from financing activities	(61,613,272)	12,804,031
Net decrease in cash and cash equivalents during the financial year	(23,514,634)	(15,272,753)
Effects of fair value changes on cash and cash equivalents	73,596	(269,572)
Cash and cash equivalents as at beginning of financial year	62,321,542	77,863,867
Cash and cash equivalents as at end of financial year	38,880,504	62,321,542
<u>Composition of cash and cash equivalents</u>		
Deposits, cash and bank balances	29,567,325	18,516,205
Bank overdraft	(25,150,000)	(21,695,916)
Short term funds	34,463,179	65,501,253
	38,880,504	62,321,542

(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 2025)

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

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

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 2025, 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 2025 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 2025.

On 1 April 2025, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

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 around 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 2026.

A4 Change in Estimates

There were no changes in estimates that had any material effect for the financial year ended 31 March 2026.

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

Save as disclosed below, there were no issuance, repurchases, resale and repayment of debt and equity securities and share cancellations during the financial year ended 31 March 2026.

During current quarter, the Company had acquired 3,870,000 of its issued ordinary shares for a total consideration of RM4,265,433 from the open market at an average price of RM1.10 per share. The share repurchased were held as treasury shares.

As at the end of the financial year, the number of treasury shares held was 18,100,000 shares at an average cost of RM1.12 per share. The remaining number of outstanding shares was 436,708,456 shares.

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

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

A6 Dividend Paid in Current Financial Year

On 24 June 2025, the Company had paid a second interim single tier dividend of 2.50 sen per share in respect of the financial year ended 31 March 2025, the dividend amounting to RM11.29 million.

On 8 January 2026, the Company had paid a single-tier interim dividend of 2.00 sen per share for the financial year ended 31 March 2026 amounting to RM8.82 million.

A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<u>Quarter Ended 31 March 2026</u>			
Revenue (External)	33,981,699	20,561,310	54,543,009
Other income	403,047	2,022,325	2,425,372
Cost of inventories sold	-	(12,568,725)	(12,568,725)
Depreciation of PPE & right-of-use assets	(379,510)	(505,737)	(885,247)
Impairment allowance	(13,836,009)	328,446	(13,507,563)
Other expenses	(8,577,571)	(5,345,415)	(13,922,986)
Finance costs	(4,635,385)	(126,273)	(4,761,658)
Profit before tax	6,956,271	4,365,931	11,322,202
<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
<u>12 Months Ended 31 March 2026</u>			
Revenue (External)	133,694,253	70,214,826	203,909,079
Other income	2,267,709	2,226,785	4,494,494
Cost of inventories sold	-	(43,902,001)	(43,902,001)
Depreciation of PPE & right of use assets	(1,463,981)	(1,689,492)	(3,153,473)
Impairment allowance	(49,360,263)	63,676	(49,296,587)
Other expenses	(31,392,394)	(20,084,866)	(51,477,260)
Finance costs	(18,597,274)	(355,338)	(18,952,612)
Profit before tax	35,148,050	6,473,590	41,621,640
Segment assets	806,306,966	84,375,032	890,681,998
Segment liabilities	392,218,266	13,489,909	405,708,175

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

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

	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

A8 Subsequent Events

There was no material event subsequent to the current quarter.

A9 Changes in the Composition of the Group

Saved as disclosed below, 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 2026.

In February 2025, Tat Lian Holding Sdn. Bhd. ("TLHSB"), an associate of ELK-Desa Furniture Sdn Bhd ("EDF"), a wholly owned subsidiary of the Group, has commenced members' voluntary liquidation.

Pursuant to the liquidation, EDF had received a distribution in specie on 18 April 2025, comprising 4,057,985 ordinary shares in Unico Holdings Berhad ("UHB"). As a result, the Group derecognised its investment in TLHSB. The liquidation resulted in a non-recurring gain on distribution from an associate under liquidation amounting to RM2.1 million, which contributed positively to the Group's financial performance for the quarter.

As at 31 March 2026, the liquidation process is still ongoing and EDF owns 4.99% equity interest in UHB. As the Group does not have significant influence over UHB, the investment is accounted for as a financial asset under MFRS 9 – Financial Instruments, and has been irrevocably designated at fair value through other comprehensive income (FVOCI).

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and assets for the Group as at 31 March 2026.

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 2026.

A12 Related Party Disclosures

There was no significant related party transaction during the financial year ended 31 March 2026.

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

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

B1 Review of Performance

YEAR TO DATE AND CURRENT QUARTER (FY2026-Q4 vs FY2025-Q4)

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2026	31.03.2025			31.03.2026	31.03.2025		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	54,543,009	53,019,644	1,523,365	3%	203,909,079	196,684,271	7,224,808	4%
Profit before interest and tax	16,083,860	14,463,087	1,620,773	11%	60,574,252	60,086,862	487,390	1%
Profit before taxation	11,322,202	9,796,285	1,525,917	16%	41,621,640	43,719,691	(2,098,051)	-5%

GROUP	As at		Variance	Variance
	31.03.2026	31.03.2025		
	RM	RM	RM	%
Hire Purchase Receivables	727,495,691	716,425,846	11,069,845	2%
Bank Borrowings	378,695,711	375,962,688	2,733,023	1%

The Group's revenue for the quarter increased by 3% to RM54.54 million due to higher contribution from hire purchase segment. The Group's profit before tax for the quarter increased by 16% to RM11.32 million mainly due to non-recurring gain from distribution from an associate (TLHSB) under liquidation.

Hire purchase receivables as at 31 March 2026 stood at RM727.50 million, which is 2% higher than the previous year.

The Group's bank borrowings increased by 1% to support the increased hire purchase receivables. Nevertheless, the Group's gearing remains at a manageable level of 0.78 times as compared to 0.76 times in the previous corresponding quarter.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2026	31.03.2025			31.03.2026	31.03.2025		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	33,981,699	32,900,308	1,081,391	3%	133,694,253	128,039,483	5,654,770	4%
Profit before interest and tax	11,591,656	12,831,985	(1,240,329)	-10%	53,745,324	55,652,848	(1,907,524)	-3%
Profit before taxation	6,956,271	8,188,923	(1,232,652)	-15%	35,148,050	39,389,977	(4,241,927)	-11%

Revenue increased by 3% to RM33.98 million mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 11% to RM13.84 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) increased from 1.70% to 1.84%. The higher impairment allowance and credit loss charge was mainly due to the higher losses from repossessed vehicles in current quarter as well as surge in non performing accounts in March 2026 arising from economical uncertainties.

The net impaired loans ratio decreased to 0.99% as at 31 March 2026 from 1.32% as at 31 December 2025 mainly due to write-off of delinquent accounts at the end of the financial year.

Cost to income ratio stood at 30% during the quarter as compared to 27% in the previous corresponding quarter. Finance cost decreased marginally to RM4.64 million. Other expenses increased by 16% to RM8.58 million mainly due to higher operating costs that was in line with the increase in hire purchase revenue.

The profit before tax decreased by 15% to RM6.96 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 2026

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				12 months ended			
	31.03.2026	31.03.2025	RM	%	31.03.2026	31.03.2025	RM	%
Revenue	20,561,310	20,119,336	441,974	2%	70,214,826	68,644,788	1,570,038	2%
Profit before interest and tax	4,492,204	1,631,102	2,861,102	175%	6,828,928	4,434,014	2,394,914	54%
Profit before taxation	4,365,931	1,607,362	2,758,569	172%	6,473,590	4,329,714	2,143,876	50%

Revenue increased by 2% to RM20.56 million mainly due to higher domestic furniture sales as compared to the previous corresponding quarter. Gross profit margin (after deducting shipping and transportation cost) increased to 32% in current quarter.

The segment recorded a reversal of impairment allowance of RM0.33 million, compared with an impairment allowance of RM0.15 million in the previous corresponding quarter, mainly due to improved repayment performance from furniture dealers.

The significant increase in other income from RM0.03 million in the previous corresponding quarter to RM2.02 million in the current quarter was primarily attributable to a non-recurring gain on distribution from an associate (TLHSB) under liquidation. Consequently, the segment recorded a higher profit before tax of RM4.24 million, which was largely attributable to the same transaction.

Excluding this non-recurring gain, the segment recorded a higher profit before tax of RM2.13 million as compared to RM1.60 million in the previous corresponding quarter.

YEAR-TO-DATE (FY2026 YTD vs FY2025 YTD)

The Group's revenue increased by 4% to RM203.78 million mainly due to higher contribution from hire purchase segment. However, the Group's profit before tax decreased by 5% to RM41.62 million mainly due to impairment allowances incurred by HP segment.

Hire Purchase Segment

Revenue increased by 4% to RM133.69 million mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 12% to RM49.36 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) increased from 6.34% to 6.70%. The higher impairment allowance and credit loss charge were mainly due to higher losses from repossessed vehicles during this financial year as well as surge in non performing accounts in March 2026 arising from economical uncertainties. The net impaired loans ratio increased from 0.60% as at 31 March 2025 to 0.99% as at 31 March 2026.

Cost to income ratio stood at 28% in this financial year as compared to 27% in the previous corresponding year.

Finance cost increased by 14% to RM18.60 million due to higher borrowings to support the increased hire purchase receivables.

Despite increase in revenue, profit before tax for the twelve (12) months period decreased by 11% from RM39.39 million to RM35.15 million mainly due to higher impairment allowances and finance costs.

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

Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

Furniture Segment

Revenue increased by 2% to RM70.21 million mainly due to higher domestic furniture sales in this financial year as compared to the previous corresponding year. Gross profit margin (after deducting shipping and transportation cost) increased from 29% to 30%.

Other income rose significantly from RM0.11 million in the previous corresponding year to RM2.23 million in the current financial year, primarily due to a non-recurring gain arising from the gain on distribution from an associate (TLHSB) under liquidation.

Reversal of impairment allowance of RM0.06 million mainly due to better repayment from furniture dealers in this financial year as compared to the previous corresponding year.

Other expenses increased by 11% to RM20.08 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 RM6.47 million for the twelve (12) months period ended 31 March 2026 mainly due to the abovementioned non-recurring gain.

Excluding this non-recurring gain, the segment recorded a higher profit before tax of RM4.36 million as compared to RM4.33 million in the previous corresponding year.

B2 Comparison of Results with Preceding Quarter

GROUP	Current	Immediate	Variance	Variance
	Quarter	Preceding Quarter		
	31.03.2026	31.12.2025		
	RM	RM	RM	%
Revenue	54,543,009	51,241,901	3,301,108	6%
Profit before interest and tax	16,083,860	15,214,355	869,505	6%
Profit before taxation	11,322,202	10,530,223	791,979	8%
Hire purchase receivables	727,495,691	732,396,395	(4,900,704)	-1%
Bank borrowings	378,695,711	371,982,368	6,713,343	2%

The Group's profit before tax for the current quarter of RM11.32 million was higher as compared to RM10.53 million of the immediate preceding quarter mainly due to a higher profit contribution from furniture segment, coupled with the abovementioned non-recurring gain in the current quarter.

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Notes to the Interim Financial Statements
for the fourth quarter ended 31 March 2026

B3 Prospects and Outlook

According to advance estimates from the Department of Statistics Malaysia and recent commentaries from Bank Negara Malaysia (“BNM”), the Malaysian economy is projected to expand by 5.3% in the first quarter of 2026.

While the economy demonstrates structural resilience, overall growth momentum has moderated from the 6.3% recorded in the final quarter of 2025. This deceleration reflects the early economic fallout from heightened geopolitical tensions in the Middle East since late February 2026, which have disrupted global supply chains and severely impacted vital shipping lanes, including the Strait of Hormuz.

Concurrently, external cost pressures have intensified, triggering a sharp increase in global commodity and energy prices. Domestically, headline inflation accelerated to 1.7% in March 2026, marking a gradual upward trend from the 1.3% average seen in the final quarter of 2025, primarily driven by a sharp rebound in transport and logistics costs. BNM projects headline inflation to range between 1.5% and 2.5% for 2026, cautioning that local economic sentiment and business investments are becoming increasingly sensitive to a highly volatile global environment.

In view of these compounding macroeconomic risks, the Group adopts a cautious operational stance and anticipates that its performance for the financial year ending 31 March 2027 (“FY2027”) will face greater headwinds compared to the financial year ended 31 March 2026 (“FY2026”).

For the hire purchase segment in FY2027, the Group is taking a prudent approach and expects no or minimal growth within the hire purchase segment due to near term uncertainties arising from the effects of high energy prices. The operational landscape is further impacted by ongoing volatility in vehicle pricing, which continues to pose a challenge to asset recovery and potentially increases credit losses upon the repossession of vehicles. Furthermore, collections and recovery activities remain challenging as consumers' disposable incomes continue to be compressed by the rising cost of living and elevated transport expenses. This strain on liquidity is exacerbated by the easy accessibility of non-bank consumer credit, such as Buy Now Pay Later (“BnPL”) platforms, which increases customers' overall risk of being over-leveraged and results in slow repayment trends. Notably, data disclosed by the Ministry of Finance and BNM indicates that over 80% of BNPL users belong to lower income groups, with small average transaction sizes reflecting that these facilities are increasingly being utilized to bridge routine household cash-flow gaps and purchase everyday essentials.

In the furniture segment, the Group's strategy focuses on tactical adjustments to sustain its wholesale performance amid shifting market conditions. The Group will focus its efforts on optimising its product range and variety to ensure it aligns with necessary consumer demand, while maintaining competitive pricing points to support consumer purchasing power. On the financial front, management aims to maintain or increase gross profit margins through strategic sourcing and inventory controls. However, due to an anticipated increase in transportation and logistics costs driven by the ongoing energy crisis, net profit margins for this segment may experience downward pressure.

Given the compounding sectoral factors in both the hire purchase and furniture segments, the Group expects the overall performance for FY2027 to be softer than FY2026. Nevertheless, the Board of Directors will stay vigilant and take proactive steps to navigate these external shocks through strict credit management and cost discipline to deliver long-term value to shareholders and stakeholders.

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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 2026 are set out below:

	3 months ended 31.03.2026 RM	12 months ended 31.03.2026 RM
Income Tax	(1,850,780)	8,684,788
Deferred Taxation	4,325,089	1,384,967
	<u>2,474,309</u>	<u>10,069,755</u>
Effective tax rate	22%	24%

The effective tax rate of the Group for the current quarter and financial year-to-date ended 31 March 2026 was approximate to the statutory tax rate.

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 31.03.2026 RM	As at 31.03.2025 RM
Block Discounting Payables (Fixed rate and secured)		
- within 1 year	106,740,031	101,623,354
- later than 1 year	227,470,723	230,643,418
	334,210,754	332,266,772
Fixed Loan (Floating rate and secured)		
- within 1 year	334,957	-
- later than 1 year	-	-
	334,957	-
Bank overdraft (Floating rate and secured)		
- within 1 year	6,600,000	21,695,916
- later than 1 year	18,550,000	-
	25,150,000	21,695,916
Revolving Credit (Floating rate and secured)	19,000,000	22,000,000
Total Borrowings	<u>378,695,711</u>	<u>375,962,688</u>
Gearing ratio (times)	0.78	0.76

B8 Changes in Material Litigation

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

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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 2026. The dividend will be paid on 25 June 2026 to the shareholders whose name appear in the record of depositors of the Company as at 12 June 2026.

In addition to the first interim single tier interim dividend of 2.00 sen per share which was paid on 8 January 2026, the total dividend for the financial year ended 31 March 2026 would be 4.50 sen per share (FY2025: 4.50 sen). This represents a dividend pay out ratio of approximately 63% 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 2026.

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 31.03.2026	Quarter ended 31.03.2025	Year to date 31.03.2026	Year to date 31.03.2025
Profit for the period attributable to owners of the Company (RM)	8,847,893	7,405,599	31,551,885	32,646,508
Weighted average number of ordinary shares (units)	437,689,900	454,808,456	446,223,422	454,808,456
Basic earnings per ordinary share (sen)	2.02	1.63	7.07	7.18

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 2025 was not qualified.

B12 Notes to the Statement of Comprehensive Income

	3 months ended 31.03.2026 RM	12 months ended 31.03.2026 RM
Profit before taxation is arrived at after charging/(crediting):		
Interest expense	4,613,439	18,499,005
Interest income	(303,681)	(1,721,480)
Interest on lease liabilities	148,219	453,607
Inventories reversal of written down	(140,335)	(445,081)
Realised foreign exchange loss	114,565	341,357
Unrealised fair value gain on short term funds	(55,338)	(73,596)
Unrealised foreign exchange gain	(18,210)	(7,371)