Sustainability Statement

ABOUT THIS REPORT

The Board of Directors ("Board") of ELK-Desa Resources Berhad ("ELK-Desa" or the "Company") is pleased to present this Sustainability Statement ("Statement") of ELK-Desa and its group of subsidiaries ("ELK-Desa Group" or the "Group"), which discusses and reports the Group's sustainability progress, targets, performance, and achievement across its businesses and operations.

This Statement has been reviewed and approved by the Board and is available on our corporate website at https://www.elk-desa.com.my/ar2026.html.

Reporting Scope and Period

This Statement has been prepared in accordance with the relevant requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and has considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits.

In addition, this Statement is prepared in accordance with the GRI Standards and incorporates additional sustainability reporting best practices where appropriate.

This Statement covers the sustainability data and information of all the Group's business segments, namely the Hire Purchase ("HP") Segment and Furniture Segment, for the reporting period from 1 April 2025 to 31 March 2026 ("FY2026"), unless stated otherwise.

About Our Business

ELK-Desa Group operates two (2) business segments, namely the HP Division and the Furniture Division.

The HP Division conducts a non-bank lending business, providing hire purchase financing for used cars and acting as an agent for motor-related general insurance products. The HP Division is based at the Group's headquarters in Kuala Lumpur and has an office in Klang, Malaysia, with a primary customer base comprising used-car dealers and individual customers in the Klang Valley region.

The HP Division holds memberships in both the Association of the Hire Purchase Companies Malaysia and the Kuala Lumpur & Selangor Car Dealers and Credit Company Association of Malaysia.

The Furniture Division, which currently represents a non-core business of the Group, is engaged in the wholesale and retail distribution of furniture products sourced from both local and overseas suppliers. These products are distributed under the Group's own brand, ELK-DeSA™. In addition to distributing furniture through an established dealer network, the Furniture Division operates two (2) furniture retail showrooms located in Klang, Selangor, which primarily serve customers in and around their respective areas. Our Furniture Division also manages a small furniture assembly facility specialising in sofa assembly to support the demands and requirements of its 2 retail showrooms and wholesale business.

Assurance

While this Statement has not been subjected to an internal auditor's review or external assurance, the sustainability data disclosed in this Statement has been independently verified by an external service provider under an agreed-upon procedures engagement.

Contact Details

We value the perspectives of both internal and external stakeholders. For any inquiries regarding our sustainability initiatives or reporting, as well as any comments or feedback, please direct correspondence to our Company Secretaries at the email address: enquiry@elk-desa.com.my.

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GED/CEO'S MESSAGE

During the year, governments worldwide, including Malaysia, continue to advance multifaceted initiatives aimed at addressing climate change and strengthening the protection of human rights. These collective efforts reflect the growing recognition that environmental sustainability and safeguarding of fundamental human rights are deeply interconnected, with climate resilience increasingly viewed as a prerequisite for social equity and long-term prosperity.

In parallel, businesses faced a rapidly evolving operating environment shaped by global economic uncertainties, regulatory developments, and shifting societal expectations. Organisations responded by recalibrating workplace practices to accommodate new dynamics in talent management and employee well-being, while also enhancing communication and engagement strategies with diverse stakeholder groups. Importantly, sustainability considerations were progressively embedded into corporate strategies and operational processes — from supply chain management and resource efficiency to governance frameworks and risk oversight.

At ELK-Desa Group, we continue to adapt to the evolving sustainability and regulatory landscape. We collaborate closely with stakeholders to enhance operational efficiency, improve employee satisfaction, and create long-term value for our employees, customers, business partners, and society at large. Our proactive approach to estimating and calculating emissions across our operations, including Scope 1, Scope 2, and Scope 3, reflects our commitment to embedding sustainability into our practices and aligning with regulatory requirements.

The Group is currently undertaking preparatory efforts to enable future alignment with the International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. As part of this process, we have conducted a gap assessment against IFRS S1 and S2 to evaluate readiness and identify areas for improvement in preparation for compliance.

The Group has also reviewed and updated its key governance documents, including the Board Charter and Terms of Reference of relevant Board committees, to ensure appropriate oversight, accountability, and alignment with the new climate-related disclosure requirements. We have initiated the process of identifying and assessing climate-related risks and opportunities, enabling a clearer understanding of potential exposures and impacts to the Group, both financial and non-financial.

In this year's Statement, we continue to report the Group's sustainability commitments and progress, with updated targets for both the HP Division and the Furniture Division. These updates reflect our growing focus on managing the sustainability performance of our material sustainability matters ("MSMs"), which are outlined in the table below.

Material Matters	Commitments	Indicators	Division	FY2026 Targets	FY2026 Actual Results
Anti-Corruption, Anti-Money Laundering, and Ethical Business Practices	To demonstrate our adherence to integrity, governance, and responsible business practices within the expectations of the marketplace and stakeholders. We have adopted a zero-tolerance approach to anti-bribery and corruption.	Number of confirmed incidents of corruption and action taken	HP	Zero confirmed incidents	0
			Furniture	Zero confirmed incidents	0
		% of active suppliers/ business partners to whom we have communicated or affirmed our code of conduct/anti-bribery and corruption policy	HP	98% of suppliers/ business partners	99.6%
			Furniture	98% of suppliers/ business partners	100%
		% of employees who have received training on policy and procedure related to anti-bribery, corruption and code of ethics and conduct	HP	98% of employees	98.6%
			Furniture	98% of employees	99.2%

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Material Matters	Commitments	Indicators	Division	FY2026 Targets	FY2026 Actual Results
		% of Board members and Senior Management endorsed the Declaration of conflict of interest/ communicated regarding the anti-corruption policy and procedure	HP	100% of Board members and Senior Management	100%
			Furniture	100% of Senior Management	100%
		% of operations function assessed for risk related to corruption	HP	100% of the total operations	100%
			Furniture	100% of the total operations	100%
Financial Performance (Group)	To achieve steady financial performance growth.	Return on equity	Group	> 8.0%	6.5%[1]
Responsible Finance	To serve the under privileged community not supported by mainstream lenders, e.g., bank and license financial institution. To treat customers fairly through practices of clear and transparent financing terms, lending only to those who can afford to repay. To finance road-worthy motor vehicles.	% of hirers that fall under B40 and M40	HP	100% of hirers	100%
		% of hirers have been briefed on financing terms when signing the HP agreement	HP	100% of hirers	100%
		% of loan approved motor vehicles that passed B7 PUSPAKOM inspection	HP	100% of the loan approved	100%
		For new loan cases, % of vehicle age not exceeding 15 years	HP	100% of vehicles	100%
Employee Engagement and Employee Wellbeing	To engage regularly with employees. To provide employee training and development. To ensure the low rate of staff turnover. To ensure the happiness of employees. To safeguard employee safety and health.	Number of employee engagement activities per year	HP	To conduct at least 6 engagement activities	8
			Furniture	To conduct at least 4 engagement activities	4

[1] *Return on equity did not meet the set target due to lower profit after tax generated from the HP Division. This is mainly due to higher losses from repossessed vehicles as well as a surge in non-performing accounts in March 2026.*

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Material Matters	Commitments	Indicators	Division	FY2026 Targets	FY2026 Actual Results
		Average training hours per employee per year	HP	Minimum average of 20 hours of training and development per employee per year (at least 95% employees to achieve >10 hours)	50.2 hours (96% employees achieved > 10 hours)
			Furniture	Minimum average of 15 hours of training and development per employee per year (at least 95% employees to achieve >10 hours)	26.8 hours (94% employees achieved > 10 hours)
		Staff turnover (confirmed staff) per annum	HP	< 8% of confirmed staff turnover	9.3%[2]
			Furniture	< 10% of confirmed staff turnover	10.9%[3]
		Number of work-related fatalities	HP	Zero work-related fatalities	0
			Furniture	Zero work-related fatalities	0
		Lost time incident rate	HP	Zero lost time incident rate	0
			Furniture	Zero lost time incident rate	0
		Number of employees trained on health and safety standards	HP	95% of employees trained on health and safety standards	98.6%
			Furniture	95% of employees trained on health and safety standards	96.9%
Innovation	To approach/ educate all hirers and dealers to use our innovative products. To improve products, services and internal processes using technology.	Number of accepted innovative ideas/ processes per annum	HP	Minimum 8 projects that meet project criteria per annum	7[4]

[2] *The staff turnover (confirmed staff) per annum for the HP Division did not meet the set target due to higher resignation rates in two operational departments. The resignations were concentrated over two consecutive months in the first half of FY2026. 70% of the resignations involved employees at junior executive level and below.*

[3] *The staff turnover (confirmed staff) per annum for the Furniture Division did not meet the set target due to unforeseen reasons, including the end of contract for two (2) foreign workers and the resignation of non-performing staff.*

[4] *The number of accepted innovative ideas/ processes per annum did not meet the set target as there were a few planned projects delayed and closed at the end of the financial year.*

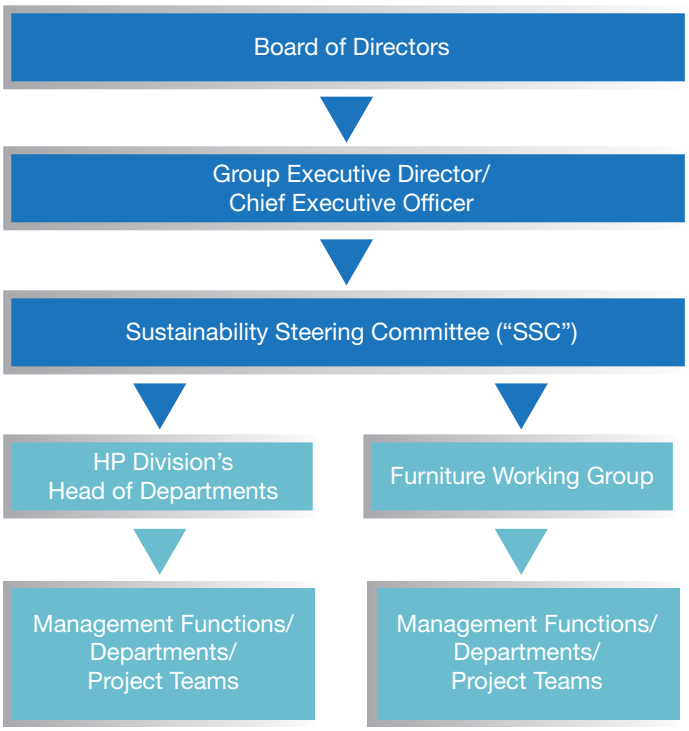
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OUR SUSTAINABILITY PHILOSOPHY

ELK-Desa Group is guided by the principle of being "Your Trusted People Centric Partner in Value Creation". This philosophy reflects our commitment to delivering positive outcomes across all stakeholder groups, including shareholders, employees, customers, service providers, and business partners. Our approach to value creation is guided by our Core Values of Enthusiastic, Trustworthy, Humble, Innovative, and Committed ("ETHIC"). These values guide our pursuit of sustainable value while reinforcing our responsibility to minimise negative environmental or social impacts arising from our business or operations.

This philosophy serves as the cornerstone of ELK-Desa's corporate strategies, embedding sustainability considerations in both short and long-term planning. It is also embedded within our governance, operational processes, and the way we conduct our business.

SUSTAINABILITY GOVERNANCE



The Board holds ultimate responsibility for the overall governance of ELK-Desa Group, overseeing its strategy, management, targets, and performance, with a focus on long-term business sustainability. In discharging this responsibility, the Board ensures that the Group's strategic plan supports sustainable value creation by integrating economic, environmental, social, and governance ("EESG") considerations, including climate-related risks and opportunities, to enhance business resilience.

The Board reviews short- and long-term business strategies of the Group, taking into consideration sustainability-related risks and opportunities that may affect business performance. It also oversees Management's implementation of sustainability initiatives and monitors progress against established targets. In addition, the Board ensures that appropriate processes are in place to facilitate transparent and effective communication with stakeholders on sustainability strategies, priorities, targets, and performance.

The Group Executive Director/Chief Executive Officer ("GED/CEO") is responsible for the overall sustainability performance of the Group, supported by the Sustainability Steering Committee ("SSC"), which comprises Senior Management and heads of key functions. Chaired by the GED/CEO, the SSC meets regularly to deliberate on EESG matters and to review the progress and performance of sustainability strategies, initiatives, and targets.

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The Group's sustainability-related strategies, initiatives, metrics, and targets are developed by the SSC, reviewed and approved by the GED/CEO, and endorsed by the Board. These cover the management of sustainability and climate-related risks and opportunities across the short and long term. The GED/CEO provides leadership to the SSC, HP Division's Management (i.e. the Head of Departments ("HODs")) and the Sustainability Working Group ("SWG") of the Furniture Division, to oversee the implementation of the endorsed strategies, initiatives, metrics, and targets.

The HP Division's HODs and Furniture Division's SWG design and implement sustainability-related strategies and initiatives to address their respective MSMs, monitor and periodically report on sustainability progress and performance and escalate any challenges that need resolution. The HP Division's HODs and Furniture Division's SWG also review stakeholder engagement activities within their respective divisions to ensure that the relevant stakeholder concerns are considered in the assessment and management of EESG matters.

The Directors and Senior Management have participated in relevant sustainability training programmes and will continue to attend training in the future to keep abreast of the evolving sustainability and climate-related developments.

STAKEHOLDER ENGAGEMENT

ELK-Desa Group recognises that maintaining continuous and effective communication with its stakeholders is essential to supporting long-term value creation and delivery of its sustainability strategy. Multiple communication channels have been established to effectively engage with stakeholders across the Group, taking into consideration different engagement objectives. These channels enable the Group to understand stakeholders' expectations and concerns, gain insights into their interests, and ensure consistent dissemination of key information across all stakeholder groups.

Stakeholder engagement is integral to aligning the Group's business activities with stakeholder interests and ensuring that material information is communicated effectively to stakeholders. Feedback obtained through these stakeholder engagement activities is incorporated into the decision-making process through the SWGs, SSC, and other management reporting channels. Stakeholder inputs, including stakeholders' concerns and interests, are also considered in the materiality assessment process when identifying and assessing the Group's MSMs.

To promote meaningful and consistent engagement between the business divisions and their stakeholders, the Board, through the GED/CEO, has assigned the SSC the responsibility of driving stakeholder engagement. This includes ensuring that relevant sustainability matters and topics are appropriately addressed and communicated to stakeholders. The heads or senior managers of various departments and functions are responsible for conducting effective stakeholder engagements within their respective areas and for reporting significant stakeholder issues, such as stakeholder feedback, concerns, or complaints, to the SWGs and SSC. Where necessary, key issues identified through these engagements are highlighted to the Board.

Reviewing stakeholder groups and assessing engagement approaches

Stakeholders are assessed based on two dimensions, namely their influence, i.e., ability to affect the Group's business operations or reputation, and their level of interest in the business, i.e., the extent to which the Group's business operations or performance will have an impact on them. Based on the assessment results, the stakeholders are grouped and prioritised accordingly.

The outcomes of the stakeholder analysis serve as a guide for us when considering the engagement approaches and communication channels. The SWGs review the stakeholder engagement approaches and channels on a yearly basis to ensure that appropriate and effective engagement channels and platforms are in place.

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The stakeholder groups, engagement methods, and key discussion concerns for the HP Division and Furniture Division for FY2026 are summarised as follows:

Stakeholder Groups	Engagement Methods	Sustainability Concerns
Regulators	• Meetings/discussions • Seminars/training	• Governance • New regulations, if any • Compliance with rules and regulations • Ethical and responsible business and better practices • Corporate culture
Shareholders and Investors	• Annual General Meeting • Annual Report • Analyst briefings and IR events • Group's website • Investor relations channel • Announcement on Bursa's website, including Quarterly Financial Results	• Sales and budget achievement • Impairment, collections and customer repayments • Dividend payment • Compliance with rules and regulations • Financial Performance • Major corporate decisions, strategies, and directions • Ethical and responsible conduct • Group's sustainability
Financier	• Meetings • Annual Report • Quarterly financial results and updates • Yearly facility review	• Financial performance • Responsible Financing • Major corporate decisions, strategies, and directions • Sustainability management approaches
Customers	• Customer Survey • Social media posting • Customer service and HP Careline channels • Group's website • HP Engagement portal	• Customer experience and quality of products and services (including payment channels) • Data security and privacy • Responsible finance and product/ services transparency • Products and services which cater to customer needs
Dealers	• Due diligence on dealers and business partners • Ongoing business engagements, visits (informal visits and field visits) • Process for procurement or the establishment of business relationships • Social media posting • Customer and HP Careline channels • HP Engagement portal • Furniture business website • Dealer survey	• Notice period • Business Integrity • Governance and Compliance • Fair pricing • Efficient and responsible business relationships
Employees	• Performance review and appraisal • Learning and Development Programmes • Dialogue sessions • Occupational safety and health programmes • Employee engagement surveys • Group activities such as townhall, brainstorm, teambuilding, annual dinner, and ad-hoc celebration • Standard Operating Procedures ("SOP") walkthrough • Social media posting	• Career progress • Employees' remuneration and benefits • Employee health and safety • Workplace safety • Work-life balance • Workplace culture and business ethics

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OUR MATERIAL MATTERS

The MSMs are identified through a materiality assessment process, as illustrated below:

Materiality Assessment Process

A sustainability matter is deemed material if it reflects the Group's significant EESG impact, such as environmental and climate-related impacts, and human rights, or if it could reasonably be expected to substantively influence the assessments and decisions of stakeholders. In determining MSMs, we also take into consideration the nine (9) common sustainability matters prescribed by Bursa in the latest MMLR.

In assessing the materiality of a sustainability matter, considerations may include:

- the extent to which the Group's business and operations have an impact on the matter assessed;
- the extent to which the matter impacts the Group's business and operations; and
- the extent to which the matter affects stakeholders or influences stakeholders' decisions.

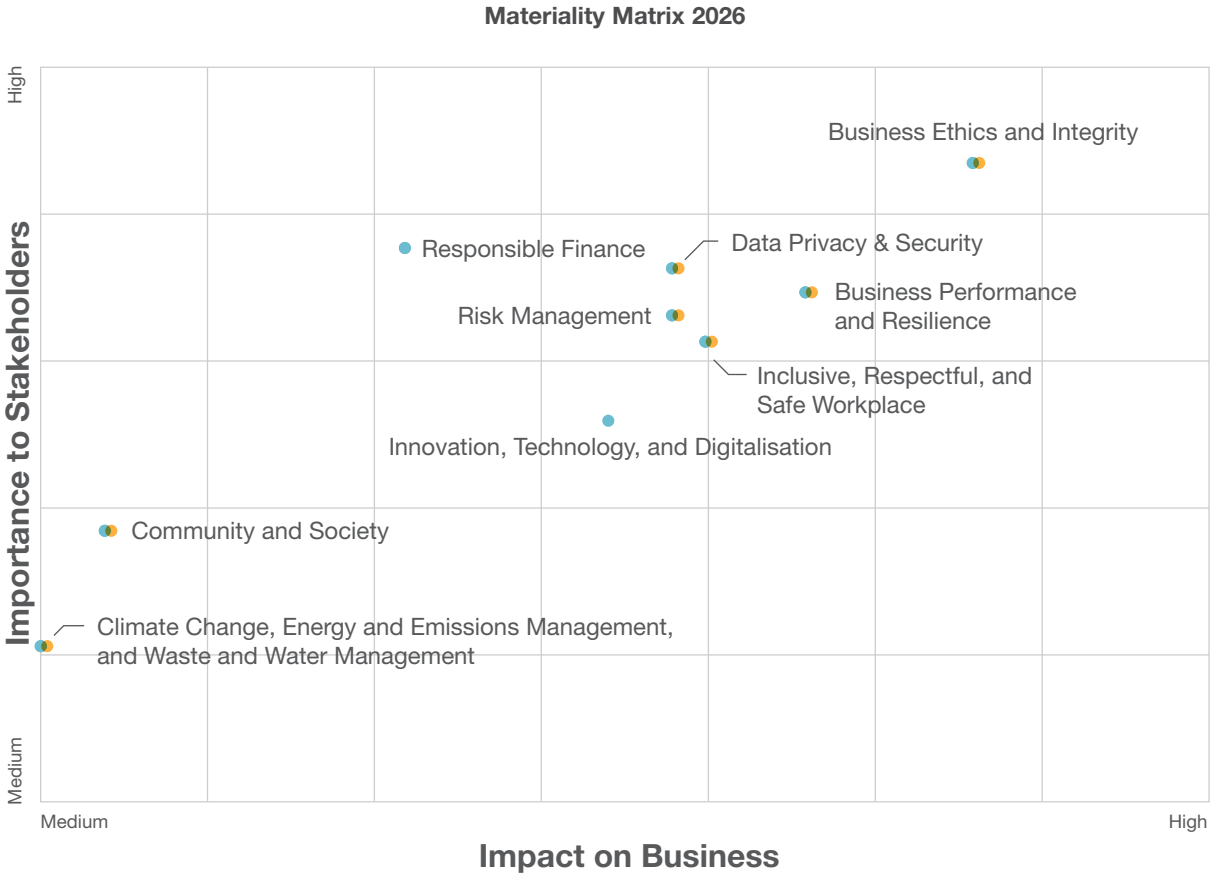
The SSC conducts a comprehensive materiality assessment once every three years. During this assessment, SSC members provide their assessments from both the business perspectives and the viewpoints of stakeholders. Where appropriate, inputs from Management and other employees will be considered by the SSC to enhance understanding and ensure a balanced consideration of the views of various stakeholder groups. The SSC may also undertake targeted engagements with selected stakeholders to obtain additional insights during the comprehensive materiality assessment process, as needed.

Between these comprehensive assessments, the SSC conducts an annual review of the materiality assessment outcomes.

In FY2026, the SSC conducted an annual review of the materiality matrix for both the HP Division and Furniture Division. The review considered various aspects, including developments in the business environment, changes in regulatory requirements, as well as industry and global trends. Based on the outcome of the review, the Group's materiality matrix for FY2026 remains the same as the previous year, as it continues to reflect the Group's most significant sustainability matters and remains aligned with both the business priorities and stakeholder expectations.

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The Group's FY2026 materiality matrix is presented as follows.



The MSMs and their respective relevance to the HP Division and Furniture Division are presented below:

MSMs FY2026	Division [5]
Business Ethics and Integrity	● ●
Business Performance and Resilience	● ●
Data Privacy & Security	● ●
Risk Management	● ●
Inclusive, Respectful, and Safe Workplace	● ●
Innovation, Technology, and Digitalisation	●
Climate Change, Energy and Emissions Management, and Waste and Water Management	● ●
Responsible Finance	●
Community and Society	● ●

[5] *Blue icons represent the HP Division while orange icons represent Furniture Division.*

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ECONOMIC

THE VALUES WE CREATE AS A PEOPLE-CENTRIC BUSINESS

Covered in this section	
Material Sustainability Matters	• Business Performance and Resilience • Community and Society
GRI Topics	• GRI 201 – Economic Performance • GRI 203 – Indirect Economic Impacts • GRI 204 – Procurement Practices • GRI 207 – Tax

BUSINESS PERFORMANCE AND RESILIENCE

Presence, Stability, and Growth

ELK-Desa has established itself as a dependable and reputable lender in the hire purchase financing business, earning the trust and confidence of a diverse range of stakeholders, including used-car dealers and borrowers. The Group remains committed to preserving our reputation and strengthening our market presence by proactively identifying and addressing emerging challenges, while maintaining the flexibility to adapt to fluctuations in an increasingly unpredictable economic environment.

Continuous monitoring of developments and trends in the used car market and the wider industry remains a core component of the Group's operating approach, enabling the business to remain relevant, resilient, and sustainable over the long-term. In Malaysia, the used car market continues to be a significant segment in the automotive ecosystem, driven by its affordability compared to new cars.

At the same time, the Group is steadily growing its furniture business as part of its business diversification strategy. This expansion supports the Group's efforts to broaden its revenue base, reduce reliance on a single business segment, and mitigate concentration risks, thereby enhancing overall business resilience.

The Group is committed to responsible business management, which involves balancing long-term value creation with the management of immediate and short-term challenges. This approach takes into consideration both the potential benefits and costs of business decisions, with the objective of strengthening our business fundamentals, ensuring stability and sustainable growth over time.

Our leadership and management team, leveraging on their extensive experience, knowledge and professional expertise, continues to enhance business performance through prudent decision-making, robust governance, and diligent oversight. Through ongoing monitoring and market research, our Senior Management ensures the business stays aligned with market needs, fostering sustained value creation and effectively meeting current demands.

FY2026 Financial Performance

The Group's financial performance is summarised as follows.

ELK-Desa Group	FY2024	FY2025	FY2026
Revenue (RM'000)	167,776	196,684	203,909
Return on equity	7.7%	6.7%	6.5%
Return on assets	4.9%	3.8%	3.5%
Earnings per share (sen)	8.06	7.18	7.07
Net dividend per share (sen)	5.00	4.50	4.50
Dividend payout ratio	62%	62%	63%

A detailed discussion of the Group's financial performance and position is presented in the **Management Discussion and Analysis Statement** of this Annual Report 2026.

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Financial Inclusion and Support for Local Economic Development

HP Division

The HP Division provides small-value hire purchase financing to second-hand car buyers, focusing on individuals underserved by mainstream financial institutions, including self-employed individuals. This model emphasises borrowers' affordability of small used car loans. Particularly in Kuala Lumpur and Selangor, vehicle ownership plays a critical role in improving access to employment opportunities and economic advancement, thereby supporting income generation and increased disposable income.

The Division's operations are designed to promote financial inclusion by supporting the underprivileged and lower-income communities, enabling access to mobility and economic advancement. Through this approach, we seek to contribute to inclusive growth and ensure that vulnerable segments of society are not left behind as Malaysia continues its development journey.

At present, our financing services are exclusively extended to vehicles registered in Malaysia. As such, the hire purchase facilities provided directly support hirers within the country, with disbursed hire-purchase funds circulating within and directly benefiting the local economy. In line with our role as a responsible corporate citizen, we fulfil our tax obligations by contributing a fair and reasonable amount of corporate taxes to the country.

As at 31 March 2026, we provided financing services to approximately 40,606 hirers, with an average outstanding receivable of RM18,231 per hirer. All hirers served during the financial year were from the B40 and M40 income groups.

HP Division	FY2024	FY2025	FY2026
Approximate number of hirers	39,021	40,312	40,606
Average outstanding net hire purchase receivables per hirer (RM)	16,863	18,180	18,231

In addition, our HP Division collaborates with a network of local car dealers across Kuala Lumpur and Selangor, thereby supporting employment creation and economic activity throughout our value chain. As at 31 March 2026, we employed 215 individuals within the HP Division, contributing to the local employment market and the broader economy. Further information on our workforce is provided in the Organisation Culture – Our Employees section of this Statement.

Furniture Division

Global awareness of climate change and environmental sustainability continues to grow. In response, our Furniture Division actively engages with customers to understand and assess demand for eco-friendly and sustainably sourced furniture. As a furniture wholesaler, we maintain the flexibility to adjust our sourcing strategies where feasible, ensuring alignment with evolving market trends and sustainability expectations.

In FY2026, approximately 84% of our total procurement expenditure was from local suppliers, supporting domestic businesses, contributing to the local economy, and promoting responsible sourcing practices.

ELK-Desa Group

Our efforts and support for local economic development are summarised in the following table:

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Number of employees	204	208	141	215	129
Tax Contribution (RM)[6]	9,522,819	6,537,535	1,279,669	9,225,028	2,002,927
Community Investment (RM)	361,679	343,642	0	920,779	0
		343,642		920,779	
Proportion of spending on local suppliers[7]	100%	100%	85%	100%	84%
		98%		97%	

[6] *Comprising income tax.*

[7] *For the HP Division, local suppliers refer to used car dealers, vendors, and suppliers registered in Malaysia. For the Furniture Division, local suppliers refer to suppliers registered in Malaysia, from whom both trade and non-trade items are procured.*

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Overview of Economic Value Generated and Distributed

The following table presents a breakdown of the HP Division and Furniture Division's direct economic value generated, economic value distributed, and economic value retained during the year.

	FY2024 (RM'000)	FY2025 (RM'000)		FY2026 (RM'000)	
	HP	HP	Furniture	HP	Furniture
Direct economic value generated ("DEVG"), mainly in the form of revenue and other income	**114,968**	**130,241**	**68,755**	**136,888**	**72,439**
Economic value distributed ("EVD"):	**99,690**	**95,425**	**64,937**	**109,961**	**67,586**
Comprising:					
• Operating cost	40,003	37,166	53,401	44,189	53,736
• Employee wages and benefits	15,088	14,846	10,256	17,404	10,835
• Payment to providers of capital					
i. Dividend	22,740	20,401	0	19,735	1,000
ii. Finance cost	11,974	16,131	0	18,487	12
• Payment to the government, in the form of taxes[8]	9,523	6,537	1,280	9,225	2,003
• Community investments, including donations	362	344	0	921	0
Economic value retained (DEVG-EVD)	**15,278**	**34,816**	**3,818**	**26,927**	**4,853**

COMMUNITY AND SOCIETY

During the financial year under review, the Group remained committed to supporting local communities and addressing the needs of the less fortunate through various corporate social responsibility ("CSR") initiatives. These efforts included charitable donations focused on supporting educational institutions and broader community development.

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Amount invested in the community (RM)	361,679	343,642	0	920,779	0
		343,642		920,779	
Estimated number of beneficiaries[9] of the investment in communities	24	43	0	53	0
		43		53	

[8] *Comprising income tax.*
[9] *Exclude beneficiaries that are internal to the company.*

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RESPONSIBLE FINANCE

Covered in this section	
Material Sustainability Matters	• Responsible Finance
GRI Topics	• GRI 201 - Economic Performance • GRI 203 - Indirect Economic Impacts

Responsible Lending

The sustainability of HP Division's business is underpinned by responsible lending practices that focus on providing financing only to individuals with the capacity to repay. Our goal is to ensure that our hirers derive overall benefits from our products and services while avoiding unsustainable financial commitments.

To manage credit risks effectively, the Group implements a stringent credit approval process that involves a comprehensive assessment of customers' financial backgrounds, repayment capabilities, and their income sources. This approach is designed to prevent lending to individuals who may face difficulty meeting their repayment obligations.

In addition, the Group regularly analyses the composition of our portfolio, taking into consideration the income demographics as well as the financial stability and long-term sustainability of our hirers. In order to strive for a balance between promoting financial inclusivity and maintaining responsible lending practices, a range of assessment tools is employed. These include utilising objective indicators such as hirers' debt service ratios, which help us evaluate a hirer's ability to manage their debt obligations prudently.

Credit risk is further mitigated through the monitoring of key portfolio quality indicators, such as the impaired loan ratio and credit loss charge. These metrics provide critical insights into portfolio performance and risk exposure. The Group also maintains continuous engagement with borrowers, supporting them in meeting their financial obligations while safeguarding business performance.

During the financial year under review, the HP Division's Credit loss charge was higher, primarily driven by higher losses from repossessed vehicles during the financial year and a surge in non-performing accounts in March 2026. The surge was a result of borrowers exercising greater caution, preferring to retain liquidity and deferring payments, due to the economic uncertainties following the escalation of the West Asia conflict in early March. This resulted in a higher net impaired loans ratio.

HP Division	FY2024	FY2025	FY2026
Gross impaired loans ratio	1.9%	1.8%	1.7%
Net impaired loans ratio	0.6%	0.6%	1.0%
Credit loss charge	4.1%	6.3%	6.7%

For more information on the non-performing loan ratios and credit loss charges, please refer to the **Management Discussion and Analysis Statement** of this Annual Report 2026.

Product and Disclosure Responsibility

The Group remains committed to upholding our products and disclosure responsibilities, ensuring the fair treatment of customers through transparent financing terms and financing road-worthy motor vehicles. In line with relevant laws and regulations, such as the Hire-Purchase Act 1967, customers are provided with clear, complete, and essential information on hire purchase arrangements. This includes details relating to deposit, pricing, term charges, instalment numbers, and the respective rights of both the customer and financier.

In addition to written disclosures, our employees verbally highlight and explain key terms of the hire purchase agreements, including the implications and risks associated with non-payment. This process ensures that customers are fully informed and have a clear understanding of their financial responsibilities prior to entering into any hire purchase agreement. In line with regulatory requirements, all hirers are briefed on the applicable financing terms before contract execution.

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The Group has also established and implemented an Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions ("AML, CFT, CPF and TFS") Policy across all business activities. This AML, CFT, CPF and TFS Policy reflects the Group's commitment to maintaining business integrity and safeguarding the interests of our customers, stakeholders, and employees. Our AML, CFT, CPF and TFS Programme adopts a risk-based approach and is subject to regular reviews to ensure its continued effectiveness and full compliance with all applicable laws and regulations in all jurisdictions in which the Group operates. Ongoing training and awareness programmes are conducted for all employees to reinforce their understanding and compliance.

The Group also ensures adherence to regulatory requirements for ancillary products, such as motor insurance and Loan Protector insurance, by providing product disclosure sheets and ensuring that customers receive a comprehensive briefing from our employees prior to making any commitments. To further support customer understanding, our HP Careline team is available to assist customers or prospective customers with enquiries relating to our products and services, hire-purchase terms, and customer rights under relevant laws and regulations.

In managing the environmental and social impacts of its financing activities, the Group finances only roadworthy vehicles. In FY2026, 100% of approved loans were for motor vehicles that have successfully passed the B7 PUSPAKOM inspection, ensuring that these vehicles comply with established safety and environmental standards.

In addition, the Group sets a target for our new loan cases to achieve 100% of financed vehicles to have a vehicle age of not more than 15 years. This initiative is designed to promote the adoption of newer vehicles that are not only more fuel-efficient but also have lower emissions, supporting cleaner and more sustainable transportation. In FY2026, we achieved this target, with all the vehicles financed under new loan cases meeting the criterion, reinforcing our ongoing efforts to reduce environmental impact while providing customers with reliable and modern mobility solutions.

The Group remains steadfast in upholding the highest ethical standards and full legal compliance by refraining from financing activities linked to corruption, smuggling, human trafficking, or any other prohibited practices under anti-corruption, anti-money laundering, and counter-terrorism financing laws. Should any of such activities come to our attention, we will take prompt and appropriate action to prevent the misuse of the Group's financial services.

Sustainability Statement
cont'd

ENVIRONMENT

The environmental footprint of the HP Division is primarily associated with its office operations, including energy consumption, greenhouse gas ("GHG") emissions, and general resource usage. Meanwhile, the Furniture Division contributes to the Group's environmental impact through its manufacturing and operational processes, particularly in the generation of material waste.

Recognising these impacts, the Group is actively working to implement sustainable practices across all operations, from improving energy efficiency in offices to minimising waste and promoting responsible resource management in production. These efforts reflect the Group's commitment to reducing its environmental footprint while supporting long-term operational sustainability and resource stewardship.

CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT, AND WASTE AND WATER MANAGEMENT

Covered in this section	
Material Sustainability Matters	• Climate Change, Energy and Emissions Management, and Waste and Water Management
GRI Topics	• GRI 302 – Energy • GRI 305 – Emissions

CLIMATE CHANGE, ENERGY AND EMISSIONS MANAGEMENT

Energy

HP Division

In our financing activities, HP Division supports environmentally responsible choices by financing only road-worthy vehicles that pass PUSPAKOM's vehicle inspection, including emission tests. Supporting the purchase of a used car can contribute to environmental sustainability, as the production of new vehicles typically involves significant GHG emissions and the use of materials that are environmentally costly to produce. Extending the lifespan of a road-worthy used car maximises the value of existing resources and materials, reducing environmental impact associated with vehicle production.

Within the HP Division, electricity is used to support the office operations, powering essential office appliances such as air-conditioning units, which are vital for maintaining comfortable working environments, along with computers, lighting, and security systems that safeguard personnel and assets. While the Division maintains a few petrol-powered company vehicles, the fuel consumption is minimal and has a negligible impact on overall operational costs or the environment.

As part of our commitment to sustainability, our energy management strategy aims to reduce dependence on non-renewable electricity and enhance energy efficiency across our operations. Electricity in Malaysia, supplied by TNB, is generated from a combination of coal, natural gas, and renewable sources, which underscores the importance of actively investing in cleaner, renewable energy alternatives to reduce GHG emissions and support environmental sustainability. Recognising these advantages, our Klang office has been installed with a solar power generation system, capable of generating approximately 61,776 kWh of electricity annually, subject to weather conditions. This system offsets approximately 41 metric tonnes of CO_2e each year.

Further reinforcing our commitment to sustainability, in December 2023, we commissioned a second solar power generation system at our Kuala Lumpur headquarters. This system is expected to generate 33,961 kWh of clean electricity annually, avoiding an estimated 26 metric tonnes of CO_2e. Altogether, the Group's current solar power generation systems have the capacity to generate 95.8 MWh of clean energy, contributing to a reduction in operational carbon emissions and supporting the transition towards a low-carbon future.

Sustainability Statement
cont'd

During the financial year under review, the HP Division's solar power generation systems generated a total of 89.24 MWh of clean energy, which helped to prevent approximately 66.04 metric tonnes of CO_2e emissions. Of this total, around 58.96 MWh was consumed internally by the HP Division, while the remaining 30.28 MWh of surplus energy was contributed to the grid, helping to offset our electricity bills and promoting the use of renewable energy within the wider community.

Furniture Division

Our Furniture Division relies on fuel to power both our company vehicles and leased equipment, which are essential for day-to-day operations, production processes and logistics activities. While fuel consumption is necessary for these activities, the Division continuously monitors and manages usage to ensure efficiency and minimise environmental impact, reflecting our commitment to responsible resource management and sustainable operational practices.

ELK-Desa Group

In FY2026, the HP and Furniture Divisions together consumed a total of 1,490,307 kWh in energy, sourced from a combination of fuel consumption, purchased electricity, and solar energy generation. Of this total, the HP Division accounted for approximately 46% of the Group's overall energy consumption, while the Furniture Division contributed around 54%.

	FY2024	FY2025		FY2026	
Energy Consumption[10]	**HP**	**HP**	**Furniture**	**HP**	**Furniture**
Petrol consumed (kWh)[11]	NA	210,870[12]	116,404[13]	203,379	166,407
Diesel consumed (kWh)[14]	NA	NA	126,222[15]	NA	155,483
Electricity purchased from TNB (kWh)[16]	429,134[17]	427,773[18]	414,586	425,413	480,663[19] [20]
Solar/ renewable fuel consumption (kWh)[21]	41,400	54,068	NA[22]	58,962	NA[23]
Total energy consumption (kWh)	**470,534**	**692,711**	**657,212**	**687,754**	**802,553**
		1,349,923		**1,490,307**	

During the financial year under review, the HP Division and Furniture Division recorded energy intensities (focusing on electricity and renewable fuel consumption within our premises) of 109 kWh/m^2 and 23 kWh/m^2, respectively. The energy intensity for the Furniture Division improved significantly in FY2026. Although total electricity purchased increased, the average floor area occupied throughout the year grew substantially, resulting in a lower energy intensity overall.

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[10] *Overall the Group applies the operational control consolidation method for its energy and emissions reporting.*
[11] *Petrol consumed was estimated based on the 33.5 MJ of the U.S. Energy Information Administration. Reference: https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php.*
[12] *The HP Division began to collect this data in FY2025.*
[13] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[14] *Diesel consumed was estimated based on the 38.3 MJ of the U.S. Energy Information Administration. Reference: https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php.*
[15] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[16] *Derived from electricity bills.*
[17] *Excludes electricity bills for approximately 2 periods of actual electricity utilisation for 2 premises during the end of the financial year, that had not been received by the HP Division during the finalisation of this Statement.*
[18] *Electricity bills for one premise have been excluded starting from July 2024 following the discontinuation of the rental.*
[19] *The electricity purchased includes two (2) rental premises which were terminated in August 2025 and September 2025. Thereafter, two (2) new premises were rented in July 2025 and January 2026.*
[20] *Approximately 8 months of electricity bills across four premises were estimated using "bill anggaran" and were included in the total electricity purchased figure, as electricity consumption based solely on "bill sebenar" would not fully reflect the total electricity consumed during the reporting period.*
[21] *Derived from solar power generation system reports.*
[22] *No solar power generation system in the Furniture Division.*
[23] *No solar power generation system in the Furniture Division.*

Sustainability Statement
cont'd

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Total energy consumption (kWh)	470,534	481,841	414,586	484,375	480,663
Total floor areas (m^2)	4,888	4,442[24]	10,845	4,442	20,667[25]
Energy intensity (kWh/m^2)[26]	**96.26**	**108.47**	**38.23**	**109.04**	**23.26**

GHG Emissions

The HP Division and Furniture Division continue to monitor and report on Scope 1, Scope 2, and Scope 3 GHG emissions, with a particular focus on Category 6 – Business Travel and Category 7 – Employee Commuting. Prior to reporting, both Divisions underwent a data collection process to identify, verify and compile the necessary information required for emissions reporting.

In FY2026, the Group's investment in solar-based electricity generation helped avoid an estimated 43.63 tonnes of CO_2e emissions. The GHG emissions generated within our business operations during the financial year under review are summarised as follows:

Emissions Generated	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Scope 1 emissions – petrol consumed (tCO_2e)	NA	46	29[27]	43	42
Scope 1 emissions – diesel consumed (tCO_2e)	NA	NA	31[28]	NA	38
Scope 2 emissions – electricity consumption (tCO_2e)[29]	318	317	307	315	356
Scope 3 emissions – Business Travel (tCO_2e)	NA	46	225[30]	54	380
Scope 3 emissions – Employee Commuting (tCO_2e)	NA	188	35[31]	186	29
Total emissions generated (tCO_2e)[32]	**318**	**597**	**627**	**598**	**845**
		1,224		**1,443**	

[24] *The reduction in office floor areas is due to the exclusion of one premise following the discontinuation of the rental agreement.*
[25] *The total floor areas for FY2026 for the Furniture Division are based on the average floor areas occupied throughout the year.*
[26] *Energy intensity = (electricity purchased from TNB + electricity generated and consumed from the solar power generation systems)/ total floor area*
[27] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[28] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[29] *FY2024 and FY2025 emissions from purchased electricity were restated, using the latest Grid Emission Factor, i.e. 0.740 Gg CO_2e/ GWh for the year 2024, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional), https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional-.*
[30] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[31] *The Furniture Division began to collect this data for the period beginning August 2024 to March 2025.*
[32] *FY2024 and FY2025 total emissions generated were restated due to the adjustments in purchased electricity data.*

Sustainability Statement
cont'd

In FY2026, the HP Division and Furniture Division recorded emissions intensity of 81 kg of CO_2e/m^2 and 21 kg of $CO2e/m^2$, respectively.

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Total emissions (tCO_2e)[33] [34]	318	363	367	358	436
Total floor areas (m^2)	4,888	4,442[35]	10,845	4,442	20,667[36]
Emission intensity (tCO_2e/m^2)[37]	**0.07**	**0.08**	**0.03**	**0.08**	**0.02**

Moving forward, the Group remains committed to continuously improving our emissions data collection and calculation processes, ensuring increasingly accurate and reliable emissions reporting. The HP Division continues to actively pursue initiatives to manage and optimise energy use and emissions, aiming to enhance overall efficiency in alignment with global climate action goals. As part of these efforts, we promote responsible electricity consumption across our operations by encouraging practices such as switching off equipment and appliances when not in use, optimising the use of natural lighting, ventilation, and cooling to reduce our energy consumption and emissions.

Climate Change

The Group recognises that climate change poses potential impacts on its operations and business environment over the short-, medium-, and long-term. In response, we are taking proactive measures to prepare for alignment with IFRS S1 and IFRS S2. As part of this process, a comprehensive gap assessment against IFRS S1 and S2 has been conducted to evaluate the Group's readiness and identify areas for improvement in anticipation of future compliance.

To strengthen oversight and accountability, the Group has reviewed and updated key governance documents during FY2026, including the Board Charter and the Terms of Reference for relevant Board committees, ensuring alignment with emerging climate-related disclosure requirements. Concurrently, we have begun identifying and assessing climate-related risks and opportunities, enabling a clearer understanding of potential exposures, both financial and non-financial, and their implications for the Group's operations and strategic planning. These efforts aim to build resilience across our business, helping us navigate a range of climate scenarios and enhance long-term sustainability.

The Group will continue to implement measures in preparation for full alignment with IFRS S1 and S2 in accordance with the timeline set by Bursa Malaysia. Notably, IFRS S2 incorporates key elements of the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations, further guiding the Group in embedding climate considerations into governance, risk management, strategy, and reporting processes.

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[33] *FY2024 and FY2025 emissions from purchased electricity were restated using the latest Grid Emission Factor, i.e. 0.740 Gg CO_2e/GWh for the year 2024, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional), https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional-.*

[34] *FY2025 emissions data includes both Scope 1 and Scope 2 emissions.*

[35] *The reduction in office floor areas is due to the exclusion of one premise following the discontinuation of the rental agreement.*

[36] *The total floor areas for FY2026 for the Furniture Division are based on the average floor areas occupied throughout the year.*

[37] *FY2025 emissions intensity was restated due to the adjustments in purchased electricity data.*

Sustainability Statement
cont'd

WASTE AND WATER MANAGEMENT

Covered in this section	
Material Sustainability Matters	• Climate Change, Energy and Emissions Management, and Waste and Water Management
GRI Topics	• GRI 303 – Water and Effluents • GRI 306 – Waste

Recycling and Waste Management

The Group does not generate hazardous or scheduled waste in its operations of both the HP Division and the Furniture Division. The primary type of non-hazardous waste produced by both Divisions is paper, arising from routine administrative and operational activities.

HP Division

Given that office paper waste may contain sensitive information such as customer data, the HP Division has implemented a structured waste management process to ensure both data security and environmental responsibility. Wastepaper containing sensitive information is collected in designated bins and sent to professional service vendors for shredding. Where possible, the shredded materials are recycled. This process serves as a key control measure to mitigate data security risks while supporting the Group's broader sustainability efforts.

Prior to engaging professional shredding service vendors, we conduct comprehensive due diligence, including interviews and background checks, to evaluate how vendors manage collected paper waste, their shredding processes, and the procedures they follow for handling and recycling shredded materials.

To maintain accountability and track performance, the Division monitors our office paper waste output through the weight of office paper waste collected and sold, as documented in invoices provided by our shredding service vendors. These vendors also provide reports confirming the amount of office paper waste shredded and recycled.

In FY2026, all office paper waste generated was sold to professional shredding service vendors, who responsibly processed and recycled the waste accordingly.

Furniture Division

Office paper waste generated by the Furniture Division is considered less sensitive compared to the HP Division, as our operations do not involve the handling of significant volumes of confidential or personal data. Accordingly, the office paper waste is collected, shredded, and sold to waste collectors for recycling.

In addition to office paper waste, the Furniture Division also generates other recyclable materials, including paper scraps, carton boxes, and plastic waste, which are segregated and collected by the approved waste contractor on a quarterly basis, supporting the Division's efforts to promote responsible waste management and recycling practices within its operations.

Sustainability Statement
cont'd

ELK-Desa Group

During the financial year under review, the Group generated a total of 21 tonnes of waste, which was managed through the disposal methods detailed below:

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Waste Generated (tonnes)					
Hazardous waste	0	0	0	0	0
Non-hazardous waste					
Comprising of:					
Office paper waste	2	11[38]	0	4	0
Paper scrap, carton box, and plastic waste	NA	NA	15	NA	17
		26		21	
Waste Diverted from Disposal					
Non-hazardous waste:					
Recycling (off-site)	2	11	15	4	17
		26		21	
Waste Directed to Disposal					
Non-hazardous waste:					
Incineration/ landfilling (off-site)	Insignificant	Insignificant	Insignificant	Insignificant	Insignificant
		Insignificant		Insignificant	

The implementation of multiple e-wallet payment channels/ providers and our MyELK-Desa+ mobile application has significantly reduced the reliance on paper-based documentation. In addition, practical measures such as enabling double-sided printing across all printers and photocopiers, together with ongoing efforts to encourage environmentally responsible practices among our employees, have further contributed to reducing overall paper consumption.

Water Management

Our HP and Furniture Divisions do not rely on water as a key input in our daily operations, with usage primarily for domestic purposes. To support sustainable water management, the Group adopts responsible water consumption practices and actively avoids unnecessary water wastage across its premises. In addition, none of our operations is located in water-stress areas, further minimising our impact on local water resources.

During the financial year under review, the Group recorded a total of 13 megalitres ("Ml") of water usage within our operations.

	FY2024	FY2025[39]		FY2026	
	HP	HP	Furniture	HP	Furniture
Water usage (Ml)	5	4	5	6	7
		9		13	

[38] *In FY2025, the office paper waste was significantly higher due to housekeeping activities carried out during the year, and unnecessary hardcopy documents were disposed of to free up storage space.*

[39] *The water consumption data for FY2025 covers the last three quarters of the year, as the Group began collecting water consumption data in Q2 FY2025.*

Sustainability Statement
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SOCIAL

EMPLOYMENT PRACTICES AT ELK-DESA GROUP

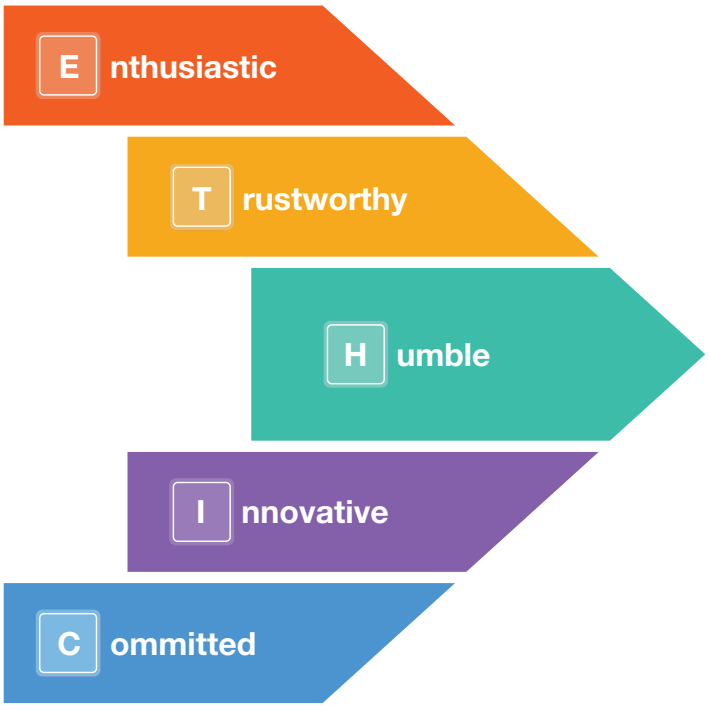
Covered in this section	
Material Sustainability Matters	• Inclusive, Respectful, and Safe Workplace
GRI Topics	Nil

INCLUSIVE, RESPECTFUL, AND SAFE WORKPLACE

Organisation Culture

ELK-Desa is committed to its "People Centric Organisational Culture" philosophy, a foundational principle that governs how we engage with our diverse stakeholders, including hirers, dealers, and employees. By fostering alignment and mutual interests, we ensure this philosophy supports our long-term business objectives of creating sustainable value for all stakeholders. To uphold this commitment, we focus on cultivating a culture of positive mindsets and behaviours, and building strong customer service interactions both internally and externally.

The people-focused philosophy is further reinforced by ELK-Desa Group's Core Values of "ETHIC", which sets out our principles and stance towards the business, society, and the environment.



Human Rights, Labour Practices, and Standards

As a responsible employer, we are committed to protecting the well-being of our workforce by maintaining human rights, fostering fair labour practices and standards, and preventing discrimination and sexual harassment. In line with these commitments, the Group strictly prohibits the employment of child labour and forced labour in any form across all our operations. Furthermore, we ensure that working hours for all employees do not exceed the maximum limit set by applicable laws and regulations, and wages provided to all our employees meet or exceed the minimum wage requirements as stipulated under local laws and regulations.

Sustainability Statement
cont'd

These commitments are clearly embedded within the Group's human resources policies. Furthermore, we ensure that our employee compensation is determined fairly, considering factors including experience, expertise, performance, and roles and responsibilities.

While our employees are not currently covered by a collective bargaining agreement, we fully respect and support their fundamental rights to freedom of association and collective bargaining, without imposing any restriction in this regard.

The Group's practices and commitments on human rights, labour practices, and standards are communicated to all our employees through regular awareness initiatives. This ensures that every employee is well-informed of their rights and entitlements, and understands the Group's expectations in upholding a fair, safe, and respectful workplace for all.

In FY2026, the Group recorded zero substantiated complaints concerning human rights violations.

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Number of substantiated complaints concerning human rights violations	0	0	0	0	0

Diversity and Inclusion

The Group remains steadfast in its commitment to fostering an inclusive culture that promotes equal employment opportunities and fair treatment for all employees, regardless of gender, age, ethnicity, culture, sex, disability, religion, nationality, sexual orientation, or any other status. Our employment practices, including recruitment, ongoing appraisals, and career development, are based on merit, performance, and objective qualities.

To ensure this approach is maintained, we have established a Board-level policy that drives gender diversity at the leadership level.

By upholding a zero-tolerance stance against discrimination and any form of abusive, offensive, or harassing behaviour, we continue to foster a respectful and harmonious workplace environment for all employees.

Safety, Health, and Well-being

The safety, health, and overall well-being of our employees remain our highest priorities. Through continued investment in these areas, we aim to develop long-term and mutually supportive relationships with our employees.

OUR EMPLOYEES

Covered in this section	
Material Sustainability Matters	• Inclusive, Respectful, and Safe Workplace
GRI Topics	• GRI 202 – Market Presence • GRI 405 – Diversity and Equal Opportunity

As at 31 March 2026, the Group's workforce comprised a total of 344 employees. This includes 24 contract-based employees who are aged 60 and above, whose experience continues to provide valuable mentorship and expertise to the Group. Employees of the HP Division are exclusively Malaysians, while the Furniture Division employs some foreign workers who are mainly manual workers.

We do not engage employees on a non-guaranteed hours basis within our operations. There are approximately 43 workers, such as security guards and cleaners, who are not direct employees but are present and essential to our daily operations.

Sustainability Statement
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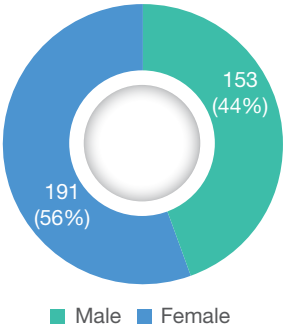
Employment categories	As at 31 March 2026								
	HP			Furniture			ELK-Desa Group		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Breakdown by employment types									
Permanent employees	46	149	195 (91%)	94	31	125 (97%)	140	180	320 (93%)
Contract-based employees	9	11	20 (9%)	4	0	4 (3%)	13	11	24 (7%)
Full-time employees	55	160	215 (100%)	98	31	129 (100%)	153	191	344 (100%)
Part-time employees	0	0	0 (0%)	0	0	0 (0%)	0	0	0 (0%)

The following table provides an overview of our diverse and balanced workforce, which reflects the demographic composition of the nation.

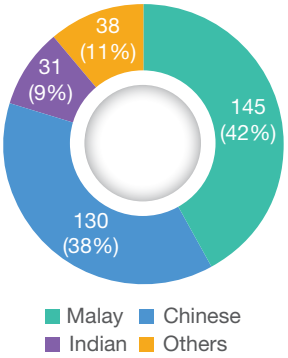
	31 March 2024	31 March 2025		31 March 2026	
	HP	HP	Furniture	HP	Furniture
Breakdown by gender					
Male	53	53	106	55	98
Female	151	155	35	160	31
Breakdown by ethnicity					
Malay	137	135	18	127	18
Chinese	49	54	74	63	67
Indian	18	19	8	25	6
Others	0	0	41	0	38
Breakdown by age groups					
Aged below 30	55	52	39	43	28
Aged between 30-50	123	125	83	142	78
Aged above 50	26	31	19	30	23

As at 31 March 2026, the Group's diversity in relation to gender, ethnicity, and age is illustrated as follows:

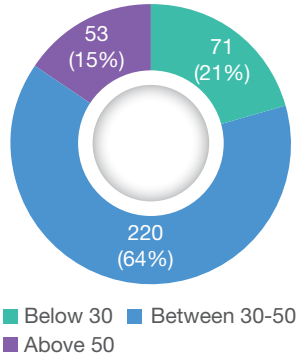
Employees by Gender
(as at 31 March 2026)



Employees by Ethnicity
(as at 31 March 2026)



Employees by Age Group
(as at 31 March 2026)



Sustainability Statement
cont'd

A comprehensive breakdown of our workforce demographics as at 31 March 2026 is presented below, categorised by employee category, gender, and age group.

	ELK-Desa Group (As at 31 March 2026)							
	Aged < 30		Aged 30 – 50		Aged > 50		Total	
	M	F	M	F	M	F	M	F
Number (Percentage) of Board								
Board	0	0	2	1	3	1	5 (71%)	2 (29%)
	0 (0%)		3 (43%)		4 (57%)		7 (100%)	
Number (Percentage) of employees - Employee category								
Senior Managers	0	0	1	1	7	1	8 (80%)	2 (20%)
	0 (0%)		2 (20%)		8 (80%)		10 (3%)	
Middle Managers	2	0	13	30	7	10	22 (35%)	40 (65%)
	2 (3%)		43 (69%)		17 (28%)		62 (18%)	
Executives	14	29	52	89	10	12	76 (37%)	130 (63%)
	43 (21%)		141 (68%)		22 (11%)		206 (60%)	
Non-Executives	19	7	24	10	4	2	47 (71%)	19 (29%)
	26 (39%)		34 (52%)		6 (9%)		66 (19%)	
Total	35	36	90	130	28	25	153 (44%)	191 (56%)
	71 (21%)		220 (64%)		53 (15%)		344 (100%)	

	HP Division (As at 31 March 2026)							
	Aged < 30		Aged 30 – 50		Aged > 50		Total	
	M	F	M	F	M	F	M	F
Number (Percentage) of employees - Employee category								
Senior Managers	0	0	1	1	4	1	5 (71%)	2 (29%)
	0 (0%)		2 (29%)		5 (71%)		7 (3%)	
Middle Managers	2	0	7	26	5	9	14 (29%)	35 (71%)
	2 (4%)		33 (67%)		14 (29%)		49 (23%)	
Executives	7	24	17	76	2	7	26 (20%)	107 (80%)
	31 (23%)		93 (70%)		9 (7%)		133 (62%)	
Non-Executives	4	6	5	9	1	1	10 (38%)	16 (62%)
	10 (38%)		14 (54%)		2 (8%)		26 (12%)	
Total	13	30	30	112	12	18	55 (26%)	160 (74%)
	43 (20%)		142 (66%)		30 (14%)		215 (100%)	

Sustainability Statement
cont'd

	Furniture Division (As at 31 March 2026)							
	Aged < 30		Aged 30 – 50		Aged > 50		Total	
	M	F	M	F	M	F	M	F
Number (Percentage) of employees - Employee category								
Senior Managers	0	0	0	0	3	0	3 (100%)	0 (0%)
	0 (0%)		0 (0%)		3 (100%)		3 (2%)	
Middle Managers	0	0	6	4	2	1	8 (62%)	5 (38%)
	0 (0%)		10 (77%)		3 (23%)		13 (10%)	
Executives	7	5	35	13	8	5	50 (68%)	23 (32%)
	12 (16%)		48 (66%)		13 (18%)		73 (57%)	
Non-Executives	15	1	19	1	3	1	37 (93%)	3 (7%)
	16 (40%)		20 (50%)		4 (10%)		40 (31%)	
Total	22	6	60	18	16	7	98 (76%)	31 (24%)
	28 (22%)		78 (60%)		23 (18%)		129 (100%)	

EMPLOYEE ENGAGEMENT AND EMPLOYEE WELLBEING

Covered in this section	
Material Sustainability Matters	• Inclusive, Respectful, and Safe Workplace
GRI Topics	• GRI 203 – Indirect Economic Impacts • GRI 401 – Employment • GRI 403 – Occupational Health and Safety • GRI 404 – Training and Education • GRI 405 – Diversity and Equal Opportunity

Fostering strong employment engagement is fundamental to building meaningful and strong connections within our workforce. At ELK-Desa Group, we cultivate an open and transparent work environment where employees are encouraged to share ideas and voice concerns. Our internal communication and engagement encompass multiple methods, including functional/team reporting structures, continuous communications through electronic means, town hall sessions, and various other engagement platforms.

These channels serve interconnected objectives. It enables Management to effectively communicate the Group's policies, business strategies, and organisational directions while simultaneously helping Management to gain insights into employees' perspectives and understand the challenges they encounter in their day-to-day roles, and identify opportunities to enhance the work environment. Beyond top-down communication, these platforms promote collaboration and knowledge exchange, allowing employees to share business ideas, discuss solutions to work-related issues, and contribute to the identification and development of talent and critical skills across the Group.

Through this multi-directional dialogue, we continuously monitor our work environment and strengthen our organisational culture.

We recognise that meaningful employee participation is essential to sound decision-making. Prior to implementing any significant initiatives or measures that may impact employees or business operations, we actively seek input and feedback from our employees, ensuring their perspectives are considered in our decision-making process. In doing so, we maintain transparent communication about business strategies and upcoming organisational changes, fostering clarity of business directions and alignment of expectations across all levels.

In FY2026, the HP and Furniture Division achieved their employee engagement targets by each conducting at least six and four engagement activities, including the successful implementation of the 11 and 4 key initiatives, respectively. Beyond these engagement efforts, ELK-Desa remains dedicated to providing and enhancing the well-being of our employees, aiming to develop a conducive work environment that stimulates creativity, elevates employee motivation, mitigates workplace stress, and strengthens organisational capabilities.

Sustainability Statement
cont'd

Performance Appraisal

The Group recognises our workforce as our most valuable asset, acknowledging that their collective skills, expertise, and experience are fundamental to achieving our company's objectives. We approach people management from a long-term, strategic perspective, with comprehensive planning that addresses succession continuity, evolving skill set requirements, and identification of current workforce capability gaps.

To sustain and strengthen this foundation, we remain committed to nurturing talent and building expertise from within through continuous investment in employee development. Our learning and development programmes encompass both technical competencies and essential non-technical capabilities, ensuring our employees are equipped to meet current challenges while preparing for future opportunities.

Employee performance appraisal is conducted at least twice annually, serving as a platform for assessing individual performance, identifying strengths and areas for development, and determining relevant training requirements and needs. Apart from performance evaluation, these appraisal sessions create meaningful opportunities for supervisors or managers to engage with employees on a deeper level, such as discussing career aspirations, establishing targets, and exploring growth opportunities aligned with the company's strategic direction and support.

Through these appraisal sessions, we identify suitable and appropriate training topics and programmes tailored to enhance both the competencies and professional knowledge of our workforce. Employees are also encouraged to use this opportunity to communicate with and voice their concerns to their supervisors or managers regarding any workforce challenges or areas where the company can further improve its operations.

Employees underwent regular performance and career development reviews		FY2024	FY2025		FY2026	
		HP	HP	Furniture	HP	Furniture
By Gender						
Male	Number	53/53	53/53	92/106	55/55	93/98
	%	100%	100%	87%	100%	95%
Female	Number	151/151	155/155	29/35	157/160	30/31
	%	100%	100%	83%	98%	97%
By Employee Category						
Senior Managers	Number	7/7	7/7	0/3	7/7	3/3
	%	100%	100%	0%	100%	100%
Middle Managers	Number	33/33	41/41	14/14	49/49	13/13
	%	100%	100%	100%	100%	100%
Executives	Number	126/126	125/125	57/71	131/133	70/73
	%	100%	100%	80%	99%	96%
Non-Executives	Number	38/38	35/35	50/53	25/26	37/40
	%	100%	100%	94%	96%	93%

Learning and Development

We recognise employee development as a cornerstone of our business sustainability and long-term success. Our ongoing learning and development initiatives encompass diverse training sessions designed to build organisational capability across multiple dimensions. These include training sessions focused on enhancing operational efficiency, leadership skills, as well as conducting "walkthrough sessions" to review relevant Standard Operating Procedures ("SOPs") throughout our business and operations.

These "walkthrough sessions" enable employees to gain a deeper understanding of business processes, controls, and their underlying rationale, while creating valuable opportunities to identify and implement process improvements. To maximise accessibility and effectiveness, our learning and development programmes are delivered through various channels, encompassing both traditional methods and digital training platforms, including our e-LMS platform.

Sustainability Statement
cont'd

A summary of the learning and development programmes attended by our employees in FY2026 is as follows:

Training Topics	Description
HP Division	
Learning Management System ("LMS") Training Training Resources from Online Portals	LMS is an online training platform conducted virtually in which the company subscribed from Talents LMS - an International Learning solution provider. All staff are encouraged to participate in the training programme with the monthly uploading of training courses. There are 3 main types of courses namely: 1) Purchase from Training provider off the shelf; 2) Customised programme produced by the committee with assistance from front-line staff; and 3) In-house production with materials collected from YouTube and other online sources.
Professional Developmental Programs	Selected staff attended programs conducted by professional bodies (including but not limited to MIA/MIM/MEF/MAICSA) for continuous learning and development.
Job-Related Training Programme	To provide training for front-line staff and Executives of all departments to enhance their job-related knowledge, bring about changes, and achieve efficiency in their operations.
Standard Operating Procedure ("SOP") Walkthrough Programme	A biannual workshop to review the SOPs of respective departments through Group Studies, Analytics, Brainstorming, and Assessment. Tests to further strengthen the SOPs of departments. Work process improvement projects are also required to be launched.
Brainstorming Sessions for Individual Departments	A special activity designed for the respective departments to source ideas and solutions through out-of-the-box thinking to overcome existing challenges and operational bottlenecks.
Skill-Based Technical Training Programme	A skill-based technical training for staff of Individual departments to strengthen their operational techniques and mental strength, for example, Interviewing skills, Collection skills, Excel & Google, etc.
Programme of Executive Development ("PED")	PED is a customised programme for a group of selected Junior staff (Executive & Junior Executive) in the company to enhance and build a better foundation for subsequent training, such as HR 360, ITF, etc. It also aims to increase an individual's skills in one or more areas of expertise, especially in self-confidence and communication skills. Increases an individual's motivation to perform their job better. To enable the staff to have more awareness and responsibility in their work scope.
HR360 Individual Development Programme ("IDP")	HR 360 is a customised programme for a group of designated staff in the company based on the collective Individual Development Assessment Plan to develop their potential as future leaders. This programme includes workshops and coaching sessions to help identify the training needs and areas of improvement for selected staff.
Pre-Innovative Task Force Development Programme ("Pre-ITF")	This is a continuation series for staff who have completed their HR- 360 IDP Programme. A training Programme to prepare trainees for further escalation to ITF. It serves as a selection platform for Management to identify suitable candidates for ITF.
People Management Skills for Managers with the implementation of Progressive Management System	A series of workshops designed for the People Managers, equipping them with the knowledge and skills to conduct effective check-ins and feedback sessions with staff, upon the implementation of the Progressive Management System - a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation.

Sustainability Statement
cont'd

Training Topics	Description
HP Division (Cont'd)	
Compliance & Awareness Training: Anti-Bribery Management System ("ABMS"), AMLA, PDPA & Code of Ethics	An awareness program to affirm the Company's commitment to conducting all businesses of the Company in an honest, ethical, corruption-free, and professional manner wherever the Company operates.
IT Related Training: Data Safety and Privacy	An online training on IT security awareness program aimed to enhance staff awareness of digital fraud and scams.
Safety Awareness Training: First Aid and Fire Fighting Program	The First Aid course emphasised the essential first aid skills as well as the core of basic life support (cardiopulmonary resuscitation) that can be carried out immediately if there is any injury or sickness happening in the workplace. The Fire Fighting course is designed as an exposure for the Emergency Response Team as well as staff to get ready to handle any kind of fire incident at their places and be competent to use fire equipment, at least operating the fire extinguisher or hose reel.
Furniture Division	
Ergonomics and Manual Handling in the Workplace Training Course	A training programme for employees to learn the correct steps involved in conducting an ergonomic assessment and introduce measures to eliminate or reduce ergonomic risks in the workplace.
Essential First Aid, CPR & AED	A programme for employees to learn basic life support skills such as CPR, understand the importance of using an Automated External Defibrillator ("AED") to increase survival rates, understand the correct procedure for activating EMS (ambulance services), and demonstrate proper management of bleeding and wounds.
Managing Employee Misconduct and Poor Performance at the Workplace	This training focuses on equipping leaders with the skills to address employee misconduct and poor performance effectively, while promoting well-being and fostering a positive, harmonious work environment where team members feel valued and understood.
Customer Focused Selling	A training programme that addresses the challenges of selling in today's dynamic business environment, including uncertain economic conditions, longer sales cycles, and rapid technological advancements, while equipping participants with strategies to remain customer-focused and competitive.
Sharpening Your Core Leadership Competencies	A training programme designed to help leaders strengthen essential leadership skills and behaviours that drive superior performance.
Coaching for Team Leaders	This training introduces coaching as a leadership style, focusing on guiding and mentoring individuals to enhance their skills, achieve goals, and foster growth through personalised support.
Building Self-Confidence for Excellence	This training programme is designed to help individuals overcome self-doubt, master effective communication skills, and unlock their potential to express themselves with clarity and impact.

During the financial year under review, the employees of ELK-Desa Group recorded a total of 14,252 hours of training, averaging approximately 41 hours of training per employee for both divisions. The total training hours in FY2026 increased primarily due to higher employee participation and more courses conducted, including 2-day team building sessions, particularly within the HP Division.

Sustainability Statement
cont'd

Learning and Development (Training Hours)		FY2024	FY2025		FY2026	
		HP	HP	Furniture	HP	Furniture
Total Training Hours	**Total**	**7,194**	**6,602**	**2,339**	**10,799**	**3,453**
			8,941		**14,252**	
	Average	**35**	**32**	**17**	**50**	**27**
			26		**41**	
By Gender						
Male	**Total**	1,871	1,727	1,712	2,612	2,398
			3,439		5,010	
	Average	35	33	16	47	24
			22		33	
Female	**Total**	5,323	4,875	627	8,187	1,055
			5,502		9,242	
	Average	35	31	18	51	34
			29		48	
By Employee Category						
Senior Managers	**Total**	175	220	71	379	61
			291		440	
	Average	25	31	24	54	20
			29		44	
Middle Managers	**Total**	1,817	2,385	427	3,761	604
			2,812		4,365	
	Average	55	58	30	77	46
			51		70	
Executives	**Total**	4,408	3,636	1,200	6,032	2,107
			4,836		8,139	
	Average	35	29	17	45	29
			25		40	
Non-Executives	**Total**	793	361	640	627	682
			1,001		1,309	
	Average	21	10	12	24	17
			11		20	

Occupational Health and Safety

Given the cash-intensive nature of our operations, we recognise the inherent safety risks faced by our employees, including potential robbery and burglary incidents. To mitigate these risks and protect our workforce, we have established various security measures throughout our operations and facilities. These measures include the installation of closed-circuit televisions ("CCTVs"), deployment of security personnel, implementation of security management, and collaboration with security service providers for certain cash-handling activities. Moreover, the increasing adoption of digital payment solutions has contributed to a reduction in cash-related security risks.

Sustainability Statement
cont'd

Ensuring a safe and secure working environment remains a priority across all our operations. We conduct regular occupational safety and health risk assessments to identify and address potential hazards. These assessments are particularly critical for our Furniture Division, where daily operations involve the use of light tools and machines, forklift operations for goods handling and mobilisation. Through proactive risk identification and mitigation, we strive to minimise workplace accidents, maintain compliance with applicable safety regulations, and foster a strong safety culture among our employees. The insights gained from these assessments enable us to develop and implement relevant training programmes and safety procedures tailored to the specific operational requirements of our Furniture Division.

Beyond physical safety, we also prioritise the mental well-being of our employees. Recognising the importance of psychological support, the HP Division introduced the We Hear You ("WHY") event in FY2023, which has continued through FY2026. This ongoing event provides a supportive platform where employees can openly discuss their welfare and mental health concerns in a safe and confidential environment. Through WHY, we seek to gain deeper insights into the mental health needs of our workforce and address them proactively, while cultivating a positive and inclusive organisational culture. The WHY event is available to the HP Division's employees throughout the year.

To complement our mental health initiatives, we provide regular training programmes for all our employees, including safety and health training. These programmes encompass essential areas such as work-related injury reporting procedures, emergency response approaches for various emergency scenarios, hazard identification, and fire safety practices. By equipping our employees with the necessary knowledge and practical skills, we enable them to identify potential hazards, respond effectively to emergencies, and contribute to maintaining a safe and secure working environment.

In FY2026, the Group continued to uphold relevant health and safety standards across all operations, with a total of 337 employees trained on health and safety standards during the year.

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Number of employees trained on health and safety standards	32	175	135	212	125
		310		337	

We are pleased to report that there were no work-related fatalities, serious occupational injuries, or lost time incident rates for ELK-Desa Group in FY2026. The safety performance of ELK-Desa Group throughout the year is summarised as follows:

	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Work-related fatalities	0	0	0	0	0
		0		0	
Lost time incident rate [40]	0	0	0	0	0
		0		0	
High-consequence work-related injuries (excluding fatalities)	0	0	0	0	0
Recordable work-related injuries [41]	0	0	0	0	0

[40] *The definitions of lost time incident and recordable work-related injuries are the same, defined as work-related injuries which resulted in at least one day of medical leave.*

[41] *The definitions of lost time incident and recordable work-related injuries are the same, defined as work-related injuries which resulted in at least one day of medical leave.*

Sustainability Statement
cont'd

Employee Remuneration and Benefits

ELK-Desa Group is committed to providing fair and competitive compensation and benefits designed to attract, retain, and motivate talent. Our remuneration packages are aligned to enhance employee performance while unlocking the growth potential of both our business and our workforce. Recognising that employee well-being extends beyond financial rewards, we strive to support our employees in achieving a healthy work-life balance through a robust suite of benefits. Our comprehensive benefits include medical and insurance coverage, retirement plans, continuous learning and development opportunities, and parental leave. These initiatives are aimed at promoting both personal and family growth, ensuring our employees feel valued and supported.

Generally, the remuneration and benefits for full-time employees are summarised as follows:

- Salary, bonuses and performance incentives
- Disability and invalidity coverage
- Employees Provident Fund
- Medical expenses claims, health care, and insurance coverage
- Sick leaves and hospitalisation leaves, paternity and maternity leaves, professional development leaves (e.g., study/exam leaves), and others
- Professional development sponsorship programme
- Subsidies/allowances promoting healthy lifestyle (e.g., subsidy for health screening for Senior Executives and above)

The table below summarises the ratio of basic salary and remuneration of women to men across all employee categories for FY2026.

Basic salary and remuneration of women to men	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Employee category					
Senior Managers	0.37:1	0.39:1	NA[42]	0.44:1[43]	NA[44]
Middle Managers	0.87:1	0.82:1	0.61:1	0.82:1	0.34:1[45]
Executives	0.89:1	0.89:1	0.73:1	0.94:1	0.76:1
Non-Executives	0.88:1	0.84:1	0.88:1	0.84:1	0.74:1

For the Furniture Division, there are currently three male Senior Managers and no female Senior Managers. This is mainly attributed to the smaller workforce size within the division and the outcome of prior appointment processes. Nevertheless, we will continue to uphold equal employment opportunities and foster greater gender diversity across our workforce.

[42] *NA as there were no female Senior Managers in FY2025.*
[43] *The ratio of basic salary and remuneration of women to men among Senior Managers is relatively low, mainly due to the three (3) male Executive Directors from the Holding Company receiving significantly higher salaries compared to the other incumbents in this category. As a result, the average remuneration for male employees is higher, leading to a lower female-to-male remuneration ratio.*
[44] *NA as there were no female Senior Managers in FY2026.*
[45] *The ratio of basic salary and remuneration of women to men among Middle Managers is relatively low, as this category is predominantly male, and the inclusion of sales commission and sales incentives in the salary computation results in a higher median remuneration for male Middle Managers compared to female Middle Managers.*

Sustainability Statement
cont'd

Employee Retention

The table below presents the employee turnover and new hire rates for the Group as at 31 March 2026, broken down by employee category, age group, and gender.

Employee turnover[46] [47]		31 March 2024	31 March 2025		31 March 2026	
		HP	HP	Furniture	HP	Furniture
By Employee category						
Senior Managers	Number	0	0	0	0	0
			0		0	
	%	0	0	0	0	0
Middle Managers	Number	2	2	0	2	1
			2		3	
	%	6	5	0	4	8
Executives	Number	16	11	4	12	6
			15		18	
	%	13	9	6	9	8
Non-Executives	Number	4	3	1	6	7
			4		13	
	%	11	9	2	23	18
By Age Group						
Aged < 30	Number	11	7	1	8	5
	%	20	13	3	19	18
Aged 30 – 50	Number	9	9	4	12	9
	%	7	7	4	8	12
Aged > 50	Number	2	0	0	0	0
	%	8	0	0	0	0
By Gender						
Male	Number	5	5	2	4	10
	%	9	9	2	7	10
Female	Number	17	11	3	16	4
	%	11	7	9	10	13
Total	**Number**	**22**	**16**	**5**	**20**	**14**
	%	**11**	**8**	**4**	**9**	**11**

[46] *Turnover rate = Number of turnover (of said category)/number of employees (of said category) at the end of the financial period*
[47] *In FY2025, we have revised our turnover definition to cover only confirmed employees.*

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New employee hire[48]		31 March 2024	31 March 2025		31 March 2026	
		HP	HP	Furniture	HP	Furniture
By Employee category						
Senior Managers	Number	0	0	0	0	0
	%	0	0	0	0	0
Middle Managers	Number	1	6	0	11	0
	%	3	15	0	22	0
Executives	Number	19	19	22	23	9
	%	15	15	31	17	12
Non-Executives	Number	12	4	1	4	1
	%	32	11	2	15	3
By Age Group						
Aged < 30	Number	25	16	9	16	1
	%	46	31	23	37	4
Aged 30 – 50	Number	7	10	13	22	8
	%	6	8	16	15	10
Aged > 50	Number	0	3	1	0	1
	%	0	10	5	0	4
By Gender						
Male	Number	6	7	13	10	6
	%	11	13	12	18	6
Female	Number	26	22	10	28	4
	%	17	14	29	18	13
Total	**Number**	**32**	**29**	**23**	**38**	**10**
	%	**16**	**14**	**16**	**18**	**8**

[48] *New hire rate = Number of new hire (of said category)/number of employees (of said category) at the end of the financial period*

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The following table presents a summary of parental leave indicators in accordance with GRI 401-3.

Parental Leave	FY2024	FY2025		FY2026	
	HP	HP	Furniture	HP	Furniture
Number of employees entitled to parental leave during the financial year					
Male	23	35	43	32	44
Female	71	101	26	148	23
Number of employees that took parental leave during the financial year					
Male	2	3	3	1	3
Female	20	20	1	5	0
Number of employees that returned to work during the financial year after parental leave					
Male	2[49]	3	3	1	3
Female	14[50]	20	2	5	0
Number of employees who were still employed 12 months after their return to work during the previous financial year					
Male	3	2	1	0	3
Female	7	10	0	5	0
Return to work rate[51] [52]					
Male	100%	100%	100%	0%	100%
Female	100%	100%	100%	100%	100%
Retention rate[53]					
Male	100%	100%	100%	100%	100%
Female	100%	71%	NA	75%	NA

[49] *This data has been restated subsequent to a correction in HR records.*
[50] *This data has been restated subsequent to a correction in HR records.*
[51] *Return to work rate = total number of employees that returned to work after parental leave/total number of employees due to return to work after taking parental leave*
[52] *FY2024 return to work rate were restated due to the adjustments in number of employees that returned to work during the financial year after parental leave.*
[53] *Total number of employees who were still employed 12 months after their return to work during the previous financial year.*

Sustainability Statement
cont'd

FOCUSING ON CUSTOMERS

Covered in this section	
Material Sustainability Matters	• Data Privacy & Security
GRI Topics	• GRI 418 – Customer Privacy

DATA PRIVACY & SECURITY

Customer Experience and Satisfaction

HP Division

We maintain ongoing engagement with our customers to gain deeper insight into their expectations, identify opportunities for enhancement, and deliver continuously improved service experiences. We are committed to responsible financing and ensuring our customers are well-informed about our products via clear documentation, detailed briefings by our employees, and transparent product disclosure sheets.

To ensure accessibility and responsiveness, we have established multiple communications channels for our customers, including our customer service care line, email support, and customer service at our office. We have also embraced digital connectivity through social media platforms and digital communication tools such as Facebook, WhatsApp, and two-way SMS.

Apart from that, various new initiatives were launched in FY2026, which are as follows:

Engage Portal and AI Bot	Enhanced Mobile Applications	Additional Payment Channel
• Enhance communication and outreach support through AI-driven assistance; • Develop visual guides and videos to help hirers better understand payment functions and other ELK-Desa digital tools; and • Enhance the two-way WhatsApp chatbot by incorporating proactive engagement features, enabling hirers to better understand payment options through payment guides and support assistance.	• Upgrade and enhance the functionality of the "MyELK-Desa+" mobile application to improve user experience.	• Improve the adoption of payment channels and introduce additional payment channel to improve recovery of delinquent accounts.

These digital engagement tools have enabled us to maintain consistent communication with our existing customers while simultaneously optimising our business processes for greater operational efficiency. Through the deployment of technologies and digital solutions, we have reduced the lead time between application submission and fund disbursement, thereby enhancing overall service delivery and customer satisfaction.

We also actively seek feedback and comments from our customers through multiple channels, including a survey link to customers attached to our responses made through our email-based customer service channel. The link to the customer survey is also available in our product brochure. By doing so, our customers can share their experience and suggestions at their convenience. The outcome of customer surveys is compiled, analysed, and considered to drive continuous improvement across our customer relationship management process and technology and digitalisation, especially relating to our service to customers. Management conducts regular discussions and meetings with relevant personnel to evaluate and review customers' experiences and address any issues raised. We take customer views and feedback seriously, implementing actionable improvements to our service and customer experience and expectations, where appropriate.

Sustainability Statement
cont'd

Customer highlights and key issues raised by customers, alongside key issues or highlights from other stakeholders, including how we address them and actions undertaken to improve our customer relationship management process, are discussed at the SWG.

Furniture Division

Our Furniture business is supported by a sizeable and dedicated team comprising sales and marketing personnel, office administrative personnel, as well as production and warehouse personnel, who work collaboratively to serve our large base of furniture dealers, who represent our valued customer base in this division.

Maintaining high levels of dealer satisfaction is central to our business strategy. To this end, our Managers-in-Charge conduct monthly dealer surveys designed to capture feedback on our furniture offering and competitive positioning relative to other suppliers in the market. This regular engagement ensures that we maintain a real-time understanding of dealer needs and market dynamics.

To maximise the value and actionability of this feedback initiative, the surveys are conducted based on specific selection criteria to target the most relevant and representative dealers across our operations. This approach ensures that the insights we gather accurately reflect the broader dealer experience and market sentiment. The survey findings are reviewed and analysed by our Management team on a regular basis. This review process enables us to pinpoint areas requiring improvement and address dealer concerns promptly.

Customer Privacy

We maintain stringent policies and procedures to protect customer data in compliance with the Personal Data Protection Act 2010 ("PDPA 2010") and all other relevant laws and regulations. Amongst others, these measures include PDPA 2010 training for all employees, particularly new hires, documented SOPs, document disposal protocols, documentation practices, and robust IT security and data governance practices.

To further protect the security and confidentiality of personal information during customer service interactions, we have implemented mandatory identity verification procedures before addressing any inquiries involving sensitive or personal details. This additional authentication step serves as an essential safeguard against unauthorised access to customer or personal information.

We are pleased to report that there were no substantiated complaints concerning breaches of customer privacy and losses of customer data, or complaints received from outside parties or from regulatory bodies during the financial year under review. Furthermore, we recorded zero cases of identified leaks, thefts, or losses of customer data throughout the year.

<table>
<tr><th rowspan="2"></th><th>FY2024</th><th colspan="2">FY2025</th><th colspan="2">FY2026</th></tr>
<tr><th>HP</th><th>HP</th><th>Furniture</th><th>HP</th><th>Furniture</th></tr>
<tr><td rowspan="2">Substantiated complaints concerning breaches of customer privacy and losses of customer data</td><td rowspan="2">0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">0</td><td colspan="2">0</td></tr>
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Sustainability Statement
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GOVERNANCE

RISK MANAGEMENT

Covered in this section	
Material Sustainability Matters	• Risk Management
GRI Topics	Nil

To ensure the long-term sustainability and resilience of our business, we have established a robust risk management process that addresses risks across short-, medium-, and long-term time horizons. This process integrates our sustainability management process and practices with an Enterprise-wide Risk Management Framework ("ERM Framework"), which covers strategic, operational, reputational, financial, environmental, social, and governance risk. Recognising the evolving business landscape, we are progressively considering climate-related and emerging risks and opportunities in our ERM Framework.

Our sustainability management process and ERM Framework provide a structured and calculated approach to risk management, operating at both macro and micro levels. The ERM Framework is developed in alignment with the ERM methodology guided by ISO 31000:2018 Risk Management – Guidelines.

The Board holds the ultimate responsibility for sustainability management and oversees the integration of sustainability considerations into our corporate strategy. This includes ensuring that sustainability strategies are aligned with the company's overall strategies and overseeing risk management, including setting the risk appetite. The Board reviews the materiality assessment, endorses the Group's MSMs, and approves relevant strategies to address these issues, as well as performance in relation to management effectiveness. Performance against sustainability objectives and the effectiveness of Directors' and Senior Managers' responses are considered in the assessment and remuneration of Directors and Senior Managers.

The Board is supported by the Audit Committee in its risk management oversight by reviewing and overseeing the implementation of the ERM Framework by Management. The Audit Committee receives updates from Management regularly on the Group's risks and obtains assurance on the integrity of the risk management system. The ERM Framework is reviewed by the Audit Committee from time to time to adapt to evolving business needs and regulatory developments before being recommended for the Board's approval.

For more information about our ERM framework and internal control, please refer to the **Statement on Risk Management and Internal Control** in this Annual Report 2026.

BUSINESS ETHICS AND INTEGRITY

Covered in this section	
Material Sustainability Matters	• Business Ethics and Integrity
GRI Topics	• GRI 205 – Anti-corruption

We are committed to upholding high standards of ethics and integrity across all aspects of our business operations, with particular emphasis on financial dealings and transactions. We are also committed to complying with all relevant laws and regulations, ensuring transparency and openness in our engagement with stakeholders. These core principles form the foundation for building and maintaining reliable, trustworthy relationships that strengthen stakeholders' confidence in our business, products, and services.

During the financial year under review, there were no significant instances of non-compliance with laws and regulations, nor were there any associated fines or non-monetary sanctions. There were no fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods.

Sustainability Statement
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To reinforce this commitment, ELK-Desa Group has established open, regular, and well-maintained communication channels with our shareholders and investors, enabling us to actively listen to and address their concerns or feedback. Similarly, we ensure our customers receive accurate and truthful information through our well-trained employees, transparent product documentation, and product disclosure sheets.

Supporting these efforts, the Group has established a Code of Ethics and Conduct ("Code") that governs the business ethics and practices of its Directors, employees, and operations. The Code is further supported by other governance policies, including the Anti-Bribery and Corruption Policy ("ABC Policy") and the Employees Handbook, which provide clear expectations and guidelines for employee behaviour. The Code addresses critical areas, including regulatory compliance, financial integrity, workplace culture, integrity and anti-corruption, and other essential areas. To ensure continued relevance, the Code undergoes regular review, with updates communicated promptly to all employees through the Group's internal communication channels. All new employees are introduced to the Code as part of their onboarding process.

The Code emphasises the importance of, amongst others:

Treating stakeholders with trust and credibility	**Complying with relevant laws and regulations**	**Avoiding conflict of interest situations**	**Demonstrating integrity and anti-corruption**
Ensuring business financial integrity and accurate financial reporting	**Maintaining a workplace which is safe, fair, and respectful**	**Demonstrating professionalism**	**Caring for the physical environment**

The Group has established SOPs that integrate ethical business practices into daily operations. These SOPs provide clear guidance for employees on their responsibilities and duties, explicitly outlining both acceptable and unacceptable practices to ensure consistent alignment with our ethical standards across the organisation. The Management is expected to set the tone at the top and set examples, upholding ethical business behaviours and integrity. Employees are encouraged to voice any concerns or questions, including those related to ethical matters, and the Management is responsible for addressing these issues promptly and appropriately.

Anti-Corruption and Anti-Bribery

ELK-Desa Group adheres to a strict zero-tolerance policy against bribery and corruption, ensuring that all business dealings and relationships are conducted with fairness, professionalism, and integrity. To maintain these principles, we have implemented an Anti-Bribery Management System ("ABMS") to support the ABC Policy. This system incorporates a range of controls and monitoring measures designed to safeguard business integrity within the operations.

Supporting this measure, a No-Gift Policy has been established to prevent the acceptance of any gifts that could potentially influence business decisions or create conflicts of interest. The Group strictly prohibits facilitation payments and places strong emphasis on identifying and avoiding conflicts of interest. In the interest of transparency and accountability, our ABC Policy is publicly accessible on the Group's corporate website.

ELK-Desa Group also strictly prohibits the making of any form of political contributions, whether in cash or in kind. There were no political contributions made during the year.

As part of its Group-wide risk assessment process, we identify corruption-related risks, including bribery, facilitation payments, money laundering, fraud, extortion, and collusion, as risk factors. To effectively mitigate these risks, the Group conducts periodic policy communications or training programmes aimed at fostering continuous anti-corruption awareness among all our employees, with particular focus on those who, by nature of their roles, face high exposure to corruption and bribery risks. Ongoing approaches such as transaction monitoring and reviews are in place to ensure ongoing compliance with our standards and regulatory requirements.

Sustainability Statement
cont'd

As of 31 March 2026, all of the Group's operations have been assessed for corruption-related risks.

	FY2024	FY2025	FY2026
Number and percentage of operations assessed for corruption-related risks	2/2 (100%)	2/2 (100%)	2/2 (100%)

The Anti-Bribery & Corruption Working Group is responsible for overseeing the design and implementation of the ABMS, providing guidance to employees and business associates, monitoring the ABMS's performance, and reporting to the Board annually. The ABMS incorporates corruption risk into the Group's risk management processes. To strengthen our protective measures, the ABMS includes internal controls such as regular or one-off due diligence assessments conducted on employees, business associates, and third-party organisations to assess exposure to bribery and corruption risk.

Recognising that effective anti-corruption measures depend on awareness and commitment at all levels, we have introduced relevant training programmes. All Directors and employees of the HP Division and Furniture Division have been briefed on the ABC Policy and are required to participate in annual refresher briefings or training to maintain the latest knowledge of anti-corruption principles and practices. Furthermore, all Directors and employees are required to provide written acknowledgement of their commitment to upholding these principles. All new employees are introduced to the ABC Policy during their induction.

Extending beyond our internal organisation, the Group also actively communicates its ABC Policy and the Code of Ethics and Conduct to suppliers and business partners.

In FY2026, the number and percentage of Board members, employees, and suppliers/ business partners who received communication and training on anti-corruption policies and procedures are summarised in the following table.

		FY2024	FY2025		FY2026	
		HP	HP	Furniture	HP	Furniture
Communicated on anti-corruption policies and procedures						
Board of Directors	Number	9/9	7/7		7/7	
	%	100%	100%		100%	
Employees	Number	204/204	208/208	139/141	212/215	129/129
	%	100%	100%	98.6%	98.6%	100%
Suppliers/ Business Partners	Number	1,251/1,296	1,320/1,325	2,076/2,076	1,419/1,424	2,333/2,333
	%	96.5%	99.6%	100%	99.6%	100%
Training on anti-corruption policies and procedures – Board of Directors						
Board of Directors	Number	9/9	7/7		7/7	
	%	100%	100%		100%	
Training on anti-corruption policies and procedures – Employees by Employee Category						
Senior Managers	Number	7/7	7/7	3/3	7/7	3/3
			10/10		10/10	
	%	100%	100%	100%	100%	100%
			100%		100%	
Middle Managers	Number	33/33	41/41	14/14	49/49	13/13
			55/55		62/62	
	%	100%	100%	100%	100%	100%
			100%		100%	

Sustainability Statement
cont'd

		FY2024	FY2025		FY2026	
		HP	HP	Furniture	HP	Furniture
Training on anti-corruption policies and procedures – Employees by Employee Category (Cont'd)						
Executives	Number	126/126	125/125	71/71	131/133	73/73
			196/196		204/206	
	%	100%	100%	100%	98.5%	100%
			100%		99.0%	
Non-Executives	Number	38/38	34/35	53/53	25/26	40/40
			87/88		65/66	
	%	100%	97.1%	100%	96.2%	100%
			98.9%		98.5%	
Overall total employees	**Number**	**204/204**	**207/208**	**141/141**	**212/215**	**129/129**
			348/349		**341/344**	
	%	**100%**	**99.5%**	**100%**	**98.6%**	**100%**
			99.7%		**99.1%**	

Whistleblowing Programme

At ELK-Desa Group, we foster a culture of openness where employees are encouraged to voice their concerns, particularly when they encounter actions or behaviours that conflict with the Group's values and ethical standards. To support this culture, we have established a grievance reporting mechanism, managed by Human Resources, that provides accessible and secure channels for reporting any violation of the Code or other workplace issues.

A Whistleblowing Programme has been established through a Whistleblowing Policy. This programme enables both employees and external stakeholders, including vendors, business dealers, and partners, to report any serious concerns, such as serious breaches of the Code or policies, non-compliance with laws and regulations, human rights violations, unethical practices, or situations that place employees in unsafe or unfair working conditions. The Whistleblowing Programme is publicly accessible via the Group's corporate website and operates as an independent reporting channel from Management. This independence ensures that reports can be submitted confidentially, while providing protection to whistleblowers, particularly employees, against any form of potential retaliation within the Group.

We are pleased to report that during the financial year under review, there were no confirmed incidents of corruption, bribery or breaches of the Group's Code or ABC Policy. The Group is committed to reviewing its policies and processes periodically to ensure adherence to the high ethical and integrity standards in all our business operations.

	FY2024	FY2025	FY2026
Confirmed incidents of corruption	0	0	0

Sustainability Statement
cont'd

INNOVATION, TECHNOLOGY, AND DIGITALISATION

Covered in this section	
Material Sustainability Matters	• Innovation, Technology, and Digitalisation
GRI Topics	Nil

Innovation is deeply embedded in the ELK-Desa Group culture and values. We actively foster a workplace where employees are encouraged to drive continuous improvement and develop innovative solutions that enhance our business operations and processes. Our employee engagement activities provide a platform for employees to share and contribute their ideas.

We also foster ongoing improvement across the Group and all departments by motivating employees to propose innovative ideas and supporting the implementation of these ideas to align with the Group's ongoing development needs, guided by a set of project criteria. In FY2026, this approach yielded tangible results, with 7 projects accepted from various departments, further developing ideas or processes into action plans or initiatives to bring the proposed concepts to life.

Technology, Digitalisation and Innovation

Information technology and systems are a critical factor in supporting the various functions of the HP Division's operations, including payment methods, customer service, stakeholder communication, and meeting facilitation. To enhance business efficiency and operational effectiveness, the HP Division continues to leverage IT adoption and digitisation initiatives, with oversight provided by the IT Steering Committee to ensure alignment with the Division's goals.

As we digitise our services and engagement platforms, we recognise that successful transformation requires stakeholder readiness. We actively support and guide hirers and dealers in adapting to new or updated products and solutions. Our call agents and HP careline operators receive ongoing training in enhanced systems and technology, enabling them to provide knowledgeable and effective assistance. Supporting documentation, including relevant SOPs, is reviewed from time to time to reflect current practices. To ensure a seamless user experience, we collect feedback from users to identify areas requiring additional guidance or system enhancements.

In addition, HP Division undertakes various technology-related initiatives throughout the year, as follows:

- Integrate the repayment of block discounting from the financial system to the operations system with the aim of reducing manual work and improving operational efficiency;
- Roll out an e-requisition form for requisition of statutory forms which assist to automate the record keeping and minimise errors in the statutory document requests submitted by stakeholders;
- Convert insurance quotations to cover notes for renewal cases through API integration between the operations system of our company and that of an insurance principal;
- Implement onboarding, recruitment and payroll modules of a Human Resource Management System to enhance process efficiency, streamline HR processes and automate report generation;
- Automate HP business reporting that provides real-time data and clear insights for Business and Management, replacing manual Excel-based reports; and
- Automate the blacklisting of delinquent accounts to a credit rating agency through API integration, enabling timely blacklisting and automatic removal of accounts upon settlement of outstanding payments.

In FY2026, the adoption rate of our e-payment channels reached approximately 92%, reflecting a positive response to our digital transformation efforts. We are expanding our MyELK-Desa+ mobile app into a holistic application that improves functionality and strengthens engagement with hirers.

Sustainability Statement
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Data Security & Privacy

As IT adoption and digitisation continue to accelerate across our operations, cybersecurity risk naturally intensifies. At ELK-Desa, IT security risks, including data security and privacy risks, remain among the key risks, subject to active management and continuous monitoring.

We conduct regular training and awareness programmes to equip employees with knowledge on data security and privacy. These initiatives are reinforced by established SOPs and internal controls that promote good cyber hygiene practices and embed security consciousness into daily operations.

We collaborate with external professional service providers to manage our IT systems and cybersecurity. These collaborations enable us to implement and maintain necessary safeguards, such as anti-virus software, firewalls, data mirroring, and off-site backup. Together, these measures protect our IT systems, including hardware and software, and safeguard sensitive customer information and data.

To ensure the effectiveness and adequacy of our IT controls and systems, independent audits on our IT systems are carried out at least annually, either through external audits, internal audits, or a combination of both.

We are pleased to report that in FY2026, there were no cases of IT breaches that resulted in data or security breaches.

ELK-DESA RESOURCES BERHAD

BMLR Transition Period

Date & Time: 2026-07-10_11:02:40

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Board of Directors	Percentage	100	100	-	No assurance	
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Senior Managers	Percentage	100	100	-	No assurance	
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Middle Managers	Percentage	100	100	-	No assurance	
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Executives	Percentage	100	99	-	No assurance	
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-Executives	Percentage	99	99	-	No assurance	
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	100	-	No assurance	
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	-	No assurance	
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	343,642	920,779	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Community/Society	Total number of beneficiaries of the investment in communities	Number	43	53	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Senior Managers Aged below 30	Percentage	0	0	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Senior Managers Aged between 30-50	Percentage	20	20	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Senior Managers Aged above 50	Percentage	80	80	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Middle Managers Aged below 30	Percentage	2	3	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Middle Managers Aged between 30-50	Percentage	65	69	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Middle Managers Aged above 50	Percentage	33	28	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Executives Aged below 30	Percentage	23	21	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Executives Aged between 30-50	Percentage	68	68	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Executives Aged above 50	Percentage	9	11	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Non-Executives Aged below 30	Percentage	51	39	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Non-Executives Aged between 30-50	Percentage	42	52	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of employees by gender and age group, for each employee category - Age group for Non-Executives Aged above 50	Percentage	7	9	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Managers Male	Percentage	80	80	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Senior Managers Female	Percentage	20	20	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Managers Male	Percentage	40	35	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Middle Managers Female	Percentage	60	65	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Executives Male	Percentage	35	37	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Executives Female	Percentage	65	63	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of employees by gender and age group, for each employee category - Non-Executives Male	Percentage	68	71	—	No assurance	
Diversity	Percentage of employees by gender and age group, for each employee category - Non-Executives Female	Percentage	32	29	—	No assurance	
Diversity	Percentage of directors by gender and age group - Male	Percentage	71	71	—	No assurance	
Diversity	Percentage of directors by gender and age group - Female	Percentage	29	29	—	No assurance	
Diversity	Percentage of directors by gender and age group - Aged below 30	Percentage	0	0	—	No assurance	
Diversity	Percentage of directors by gender and age group - Aged between 30-50	Percentage	43	43	—	No assurance	
Diversity	Percentage of directors by gender and age group - Aged above 50	Percentage	57	57	—	No assurance	
Energy management	Total energy consumption	Megawatt	1,349.92	1,490.31	—	No assurance	
Health and safety	Number of work-related fatalities	Number	0	0	—	No assurance	
Health and safety	Lost time incident rate ("LTIR")	Rate	0	0	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Health and safety	Number of employees trained on health and safety standards	Number	310	337	—	No assurance	
Labour practices and standards	Total hours of training by employee category - Senior Managers	Hours	291	440	—	No assurance	
Labour practices and standards	Total hours of training by employee category - Middle Managers	Hours	2,812	4,365	—	No assurance	
Labour practices and standards	Total hours of training by employee category - Executives	Hours	4,836	8,139	—	No assurance	
Labour practices and standards	Total hours of training by employee category - Non-Executives	Hours	1,001	1,309	—	No assurance	
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	5	7	—	No assurance	
Labour practices and standards	Total number of employee turnover by employee category - Senior Managers	Number	0	0	—	No assurance	
Labour practices and standards	Total number of employee turnover by employee category - Middle Managers	Number	2	3	—	No assurance	
Labour practices and standards	Total number of employee turnover by employee category - Executives	Number	15	18	—	No assurance	
Labour practices and standards	Total number of employee turnover by employee category - Non-Executives	Number	4	13	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance	
Supply chain management	Proportion of spending on local suppliers	Percentage	98	97	—	No assurance	
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	No assurance	
Water	Total volume of water used	Megalitres	9	13	—	No assurance	
Waste management	Total waste generated	Metric tonnes	26	21	—	No assurance	
Waste management	Total waste diverted from disposal	Metric tonnes	26	21	—	No assurance	
Waste management	Total waste directed to disposal	Metric tonnes	0	0	—	No assurance	
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	106	123	—	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	624	671	—	No assurance	FY2024 and FY2025 emissions from purchased electricity were restated, using the latest Grid Emission Factor, i.e. 0.740 Gg CO2e/ GWh for the year 2024, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional), https://myenergystat-s.st.gov.my/document-s/d/guest/grid-emiss-ion-factor-gef-in-ma-laysia-2022-2024-pro-visional-.
Emissions management	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	494	649	—	No assurance	

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GRI CONTENT INDEX

Statement of use	ELK-Desa Resources Berhad has reported in accordance with the GRI Standards for the period of 1 April 2025 to 31 March 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
General Disclosures							
GRI 2: General Disclosures 2021	2-1	Organizational details	• Legal Name: ELK-Desa Resources Berhad • Nature of Ownership: Public Listed Company • Headquarters: Kuala Lumpur, Malaysia • Country of Operation: Malaysia				
			SS: About This Report	16			
			AR: Notes to the Financial Statements – Corporate Information	120 – 165			
	2-2	Entitles included in the organization's sustainability reporting	SS: About This Report – Reporting Scope and Period	16			
	2-3	Reporting period, frequency and contact point	• Reporting Period: 1 April 2025 to 31 March 2026 • Frequency: annually (12 months) • Publication Date: 20 July, 2026				
			SS: About This Report – Reporting Scope and Period	16			
			SS: About This Report – Contact Details	16			
	2-4	Restatements of information	• Emissions conversion for purchased electricity for FY2024 and FY2025 has been restated to reflect the latest emission factor published by the authorities				
	2-5	External assurance	SS: About This Report – Assurance	16			
	2-6	Activities, value chain and other business relationships	• Sectors: Financial Services Sector				
			SS: About This Report – About our Business	16			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
	2-7 Employees	• The number of HP and Furniture employees is based on headcount and at the end of the reporting period • HP employees required for operations are mainly office-based and their working time is mainly during working hours. Full-time employment arrangements are ideal for such job nature. A few employees are contract-based as the Company employs them on contract-basis past their retirement age. • Furniture employees are mainly based in the office and warehouse, apart from sales and marketing employees who conduct frequent customer visits. Our operations are conducted during normal working hours. Full-time employment arrangements are ideal for such job nature. A few employees are contract-based as the Company employs them on contract-basis past their retirement age • No significant fluctuations in the number of HP employees during the reporting period and between reporting periods				
		SS: Our Employees	37 – 40			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
	2-8 Workers who are not employees	• The number of HP and Furniture workers who are not employees and whose work is controlled by the organisation is based on headcount and at the end of the reporting period • No significant fluctuations in the number of HP workers who are not employees during the reporting period and between reporting periods				
		SS: Our Employees	37 – 40			
	2-9 Governance structure and composition	SS: Sustainability Governance	20 – 21			
		AR: Profile of Directors	6 – 8			
		AR: Corporate Governance Overview Statement	79 – 87			
	2-10 Nomination and selection of the highest governance body	AR: Corporate Governance Overview Statement	79 – 87			
		Corporate Governance Report				
	2-11 Chair of the highest governance body	AR: Profile of Directors	6 – 8			
		AR: Profile of Key Senior Management	9			
		Corporate Governance Report				
	2-12 Role of the highest governance body in overseeing the management of impacts	SS: Sustainability Governance	20 – 21			
		SS: Stakeholder Engagement	21 – 22			
		SS: Our Material Matters	23 – 24			
		Corporate Governance Report				
	2-13 Delegation of responsibility for managing impacts	SS: Sustainability Governance	20 – 21			
		SS: Stakeholder Engagement	21 – 22			
		SS: Our Material Matters	23 – 24			
		Corporate Governance Report				

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GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
	2-14	Role of the highest governance body in sustainability reporting	SS: Sustainability Governance	20 – 21			
			SS: Our Material Matters	23 – 24			
			Corporate Governance Report				
	2-15	Conflicts of interest	AR: Corporate Governance Overview Statement	79 – 87			
	2-16	Communication of critical concerns	SS: Stakeholder Engagement	21 – 22			
			SS: Business Ethics and Integrity – Whistleblowing Programme	55			
	2-17	Collective knowledge of the highest governance body	SS: Sustainability Governance	20 – 21			
			Corporate Governance Report				
	2-18	Evaluation of the performance of the highest governance body	SS: Sustainability Governance	20 – 21			
			Corporate Governance Report				
	2-19	Remuneration policies	AR: Corporate Governance Overview Statement	79 – 87			
			Website: https://www.elk-desa.com.my/remuneration_policy.html				
	2-20	Process to determine remuneration	AR: Corporate Governance Overview Statement	79 – 87			
			Remuneration Policy: https://www.elk-desa.com.my/remuneration_policy.html				
	2-21	Annual total compensation ratio	• Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 17.81:1 (HP Division only)				

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
		• Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): -13%:1% (HP Division only) • Highest-paid individual: Executive Chairman (HP Division only) • All employees: all employees other than those who had worked less than 12 months reported under GRI 2-7 have been included (HP Division only) • Annual total compensation: basic salary, overtime, allowance, and bonus (HP Division only)				
	2-22 Statement on sustainable development strategy	SS: GED/CEO's Message	17 – 19			
	2-23 Policy commitments	SS: GED/CEO's Message	17 – 19			
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management	30 – 35			
		SS: Employment Practices at ELK-Desa Group – Inclusive, Respectful, and Safe Workplace – Human Rights, Labour Practices, and Standards	36 – 37			
		SS: Business Ethics and Integrity	52 – 55			
		Code of Ethics and Conduct: https://www.elk-desa.com.my/code_conduct.html				
		Anti-Bribery and Corruption Policy: https://www.elk-desa.com.my/anti_bribery_and_corruption_policy.html				

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GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
	2-24	Embedding policy commitments	SS: Employment Practices at ELK-Desa Group – Inclusive, Respectful, and Safe Workplace – Human Rights, Labour Practices, and Standards	36 – 37			
			SS: Business Ethics and Integrity	52 – 55			
	2-25	Processes to remediate negative impacts	SS: Our Sustainability Philosophy	20			
			SS: Stakeholder Engagement	21 – 22			
			SS: Employment Practices at ELK-Desa Group – Inclusive, Respectful, and Safe Workplace – Organisation Culture	36			
			SS: Business Ethics and Integrity	52 – 55			
			Whistleblowing Programme: https://www.elk-desa.com.my/whistle_blower_policy.html				
	2-26	Mechanisms for seeking advice and raising concerns	SS: Business Ethics and Integrity – Whistleblowing Programme	55			
			Whistleblowing Programme: https://www.elk-desa.com.my/whistle_blower_policy.html				
	2-27	Compliance with laws and regulations	SS: Business Ethics and Integrity	52 – 55			
	2-28	Membership associations	SS: About This Report – About Our Business	16			
	2-29	Approach to stakeholder engagement	SS: Stakeholder Engagement	21 – 22			
	2-30	Collective bargaining agreements	SS: Employment Practices at ELK-Desa Group – Inclusive, Respectful, and Safe Workplace – Human Rights, Labour Practices, and Standards	36 – 37			
Material Topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SS: Our Material Matters	23 – 24			
	3-2	List of material topics	SS: Our Material Matters	23 – 24			

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GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
Topics-Specific Disclosures: Material Matters							
Business Performance and Resilience							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: The Values We Create as a People-Centric Business	25 – 27			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SS: The Values We Create as a People-Centric Business – Business Performance and Resilience – Overview of Economic Value Generated and Distributed	27			
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	SS: The Values We Create as a People-Centric Business – Business Performance and Resilience – Financial Inclusion and Support for Local Economic Development	26			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	SS: The Values We Create as a People-Centric Business – Business Performance and Resilience – Financial Inclusion and Support for Local Economic Development	26			
GRI 207: Tax 2019	207-1	Approach to tax	SS: The Values We Create as a People-Centric Business – Business Performance and Resilience – Financial Inclusion and Support for Local Economic Development	26			
Community and Society							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: The Values We Create as a People-Centric Business – Community and Society	27			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SS: The Values We Create as a People-Centric Business – Community and Society	27			

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GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
Responsible Finance							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: Responsible Financing	28 – 29			
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	SS: Responsible Financing – Responsible Lending	28			
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	SS: Responsible Financing	28 – 29			
Climate Change, Energy and Emissions Management, and Waste and Water Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management	30 – 35			
GRI 302: Energy 2016	302-1	Consumption within the organization	• The conversion factor for fuel consumption was obtained from the U.S. Energy Information Administration (source: https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php)				
			SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – Energy	30 – 32			
	302-3	Energy intensity	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – Energy	30 – 32			
	302-4	Reduction of energy consumption	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – Energy	30 – 32			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
GRI 303: Water and Effluents 2018	303-5 Water consumption	• Water storage is not a significant water-related impact to ELK-Desa • The water data was obtained from water bills				
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Waste and Water Management – Water Management	35			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• Consolidation approach for emissions: operational control • The emissions conversion factor for fuel consumption was obtained from the GHG Protocol (source: https://ghgprotocol.org/calculation-tools-and-guidance)				
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – GHG Emissions				
	305-2 Energy indirect (Scope 2) GHG emissions	• Consolidation approach for emissions: operational control. • The emissions conversion factor for electricity consumption was obtained from the Grid Emission Factor (source: https://meih.st.gov.my/home)				
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – GHG Emissions	32 – 33			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
	305-3 Other indirect (Scope 3) GHG emissions	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – GHG Emissions	32 – 33			
	305-4 GHG emissions intensity	• The emissions factor used was obtained from the Grid Emission Factor and it does not specify the gases included in the calculation				
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – GHG Emissions	32 – 33			
	305-5 Reduction of GHG emissions	• The emissions factor used was obtained from the Grid Emission Factor and it does not specify the gases included in the calculation				
		SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Climate Change, Energy and Emissions Management – GHG Emissions	32 – 33			
GRI 306: Waste 2020	306-3 Waste generated	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Waste and Water Management – Recycling and Waste Management	34 – 35			
	306-4 Waste diverted from disposal	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Waste and Water Management – Recycling and Waste Management	34 – 35			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
	306-5 Waste directed to disposal	SS: Climate Change, Energy and Emissions Management, and Waste and Water Management – Waste and Water Management – Recycling and Waste Management	34 – 35			
Inclusive, Respectful, and Safe Workplace						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Employment Practices at ELK-Desa Group	36 – 37			
		SS: Our Employees	37 – 40			
		SS: Employee Engagement and Employee Wellbeing	40 – 49			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	• All senior managers of the HP and Furniture Division are Malaysians				
		SS: Our Employees	37 – 40			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SS: Employee Engagement and Employee Wellbeing – Learning and Development	41 – 44			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SS: Employee Engagement and Employee Wellbeing – Employee Retention	47 – 49			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Significant locations of operation: our significant locations of operation for the HP Division and Furniture Division are mainly in the Klang Valley				
		SS: Employee Engagement and Employee Wellbeing – Employee Remuneration and Benefits	46			
	401-3 Parental leave	SS: Employee Engagement and Employee Wellbeing – Employee Retention	47 – 49			
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	SS: Employee Engagement and Employee Wellbeing – Occupational Health and Safety	44 – 45			
	403-9 Work-related injuries	SS: Employee Engagement and Employee Wellbeing – Occupational Health and Safety	44 – 45			

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GRI Standard/ Other Source	Disclosure		Information/Location	Page Number	Omission		
					Requirement(s) Omitted	Reason	Explanation
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SS: Employee Engagement and Employee Wellbeing – Learning and Development	41 – 44			
	404-2	Programs for upgrading employee skills and transition assistance programs	SS: Employee Engagement and Employee Wellbeing – Learning and Development	41 – 44			
	404-3	Percentage of employees receiving regular performance and career development reviews	SS: Employee Engagement and Employee Wellbeing – Performance Appraisal	41			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SS: Our Employees	37 – 40			
	405-2	Ratio of basic salary and remuneration of women to men	SS: Employee Engagement and Employee Wellbeing – Employee Remuneration and Benefits	46			
Customer Privacy and Security							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: Focusing on Customers	50 – 51			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SS: Focusing on Customers – Data Privacy & Security – Customer Privacy	50 – 51			
Risk Management							
GRI 3: Material Topics 2021	3-3	Management of material topics	SS: Risk Management	52			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Business Ethics and Integrity						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Business Ethics and Integrity	52 – 55			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SS: Business Ethics and Integrity – Anti-Corruption and Anti-Bribery	53 – 55			
	205-2 Communication and training about anti-corruption policies and procedures	SS: Business Ethics and Integrity – Anti-Corruption and Anti-Bribery	53 – 55			
	205-3 Confirmed incidents of corruption and actions taken	SS: Business Ethics and Integrity – Whistleblowing Programme	55			
Innovation, Technology, and Digitalisation						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Innovation, Technology, and Digitalisation	56 – 67			