



ANTI-MONEY LAUNDERING, COUNTER FINANCING OF TERRORISM, COUNTERING PROLIFERATION FINANCING AND TARGETED FINANCIAL SANCTIONS POLICY

ELK-DESA RESOURCES BHD (“EDRB” or “the Group”) affirms its commitment and support in preventing and combating **Money Laundering, Terrorism Financing, Proliferation Financing** and **Targeted Financial Sanctions** in its business activities. The Group is committed in safeguarding the integrity of our business and the interests of our customers, stakeholders and employees.

The Group has a money lending license held by a subsidiary (ELK-Desa Capital Sdn Bhd)**. This subsidiary established its **Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions** (“**AML, CFT, CPF and TFS**”) Program, which adopts a risk-based approach, subject to periodic reviews to ensure it remains robust and relevant with laws and regulations in all jurisdictions in which we operate, in an effort to stamp out illicit activities. This AML, CFT, CPF and TFS Program within ELK-Desa Capital Sdn Bhd (being the relevant reporting institution) incorporates policy, procedures, processes, and controls, as necessary and relevant to its size, nature and complexity of the business operations, in line with regulatory expectations. It includes:

Prevention:

- a) Enact a Know-Your-Customer process, that enables the Company to undertake a consistent Customer Due Diligence in ascertaining customer’s identity and establishing the ultimate beneficiary;
- b) Profile customers based on their risk exposure;
- c) Evaluate new products, services and changes to business practices to ensure money laundering and terrorist financing risks are mitigated.

Monitoring:

- a) Detection of suspicious activities supplemented with transaction monitoring and periodic reviews of customers’ transactions and profiles;
- b) Screening of individuals and entities against sanction listings;
- c) Highlight and enforce TFS regimes applicable, through screening of new, potential and existing customers, and maintaining an up-to-date database on applicable regimes.

Reporting:

- a) Record keeping of all Customer Due Diligence and transaction details in accordance with statutory requirements;
- b) Full, timely and accurate reporting of suspicious transactions, activities and any relevant sanctions to the relevant authorities as provided under all applicable laws;
- c) Fully co-operate with the enforcement agencies, regulators and competent authority in the investigation of money laundering and/or financial crime.

*** The subsidiary holding the money lending license is currently deemed a ‘small-sized reporting institution’ as defined under Bank Negara Malaysia’s policy document; and is allowed certain exemptions and simplification in its regulatory requirements.*

The Group believes that such policy and initiative will not be successful without the continuous nurturing of AML, CFT, CPF and TFS awareness and culture development within its people. Henceforth, EDRB regularly reinforces such knowledge and messages via regular communication, updates on AML, CFT, CPF and TFS, and training programs, through various channels within the business.

This policy will be reviewed annually or as and when the need arises to ensure its effectiveness, and consistency with the governing legislation and regulatory requirements.