

NEWS RELEASE**ELK DESA POISED TO SUSTAIN STRONG GROWTH**

KUALA LUMPUR, Thursday, 9 August 2018 – ELK-Desa Resources Berhad, a leading non-bank lender focused in the used-car segment, has been growing at a compound annual growth rate (CAGR) of 15% over the last five years and is well-poised to sustain this strong momentum moving forward.

The Management of ELK-Desa, said, “ELK-Desa has carved out a niche as a reputable lender in the used passenger car market, targeting buyers who are seeking small value financing. This market continues to be under-served as demand far outweighs supply. We intend to grow our hirer base in a sustainable manner without compromising on asset quality.”

According to the Management, ELK-Desa has remained ever-vigilant on risk management and asset recovery. “Our non-performing loan ratio has dropped to 1.0% as at 31 March 2018 from 1.2% a year ago and 2.2% five years ago (FYE 2014).”

The Group completed its 29th Annual General Meeting today. All eight Resolutions were passed by its shareholders through poll voting.

One of the resolutions passed was the single tier final dividend of 3.50 sen per share for the financial year ended 31 March 2018. In addition to a single tier interim dividend of 3.25 sen per share that was paid in February 2018, the total dividend for the financial year ended 31 March 2018 would be 6.75 sen per share. This marked the third consecutive year the Group has paid out total annual dividends amounting to 6.75 sen per share, which is higher than the annual dividend policy of 60% set by the Board of Directors.

For the financial year ended 31 March 2018, ELK-Desa registered a 10% increase in revenue to RM104.13 million compared to RM94.49 million last year. This improvement was mainly due to the higher contribution from the Group's hire purchase financing business.

The Group's profit before tax for FYE2018 jumped by a notable 16% to a record RM35.34 million from RM30.57 million previously due to higher contribution from its hire purchase financing division. Profit after tax for FYE2018 rose to RM25.92 million compared to RM23.00 million a year ago.

About ELK-Desa Resources Berhad

ELK-Desa Resources Berhad (Stock Code: 5228/Sector: Finance) started its hire purchase financing operations in 2004. The Group's core focus area is in the under-served hire purchase financing for used motor vehicles. The Group also cross-sells general insurance products to its hire purchase customers. ELK-Desa currently employs close to 290 individuals and its business activities are centered within the Klang Valley. For more information, please visit <http://www.elk-desa.com.my/>

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