

For Immediate Release

REGAL INTERNATIONAL GROUP'S REVENUE JUMPS 115% TO RM\$81.3 MILLION IN 1Q2016

- Revenue in 1Q2016 grew 115% to RM\$81.3 million from RM\$37.3 million in 1Q2015 due to more sold units and completed development projects.
- The Group recorded Net Profit of RM\$0.3 million for 1Q2016 owing to a profit after tax contribution of RM3.8 million from the property division, which was offset by loss after tax of RM1.3 million from the precision business division.
- The Group remains cautiously confident that it will be able to meet future headwinds through adaptive strategies such as growing beyond Kuching, Sarawak and positioning a diversified and balanced portfolio of projects to meet changing market demands.

Financial Highlights:

RM\$ (million)	1Q FY2016	1Q FY2015	% Change
Revenue	81.3	37.8	+115.0%
Gross profit	14.2	11.1	+27.0%
Profit, net of tax (before exchange rate translation)	0.3	3.5	N.M.
Exchange difference on translating foreign operations, net of tax	(2.2)	1.4	N.M.
Total comprehensive income for the period	(1.9)	4.8	N.M.

N.M. = Not meaningful

Singapore, 13 May 2016 – Regal International Group Ltd. (“**RIG**” or the “**Group**”) a Singapore Stock Exchange (SGX) and Taiwan Stock Exchange (TWSE) Mainboard listed diversified international business group is pleased to announce its financial results for the first quarter of fiscal year 2016 (“**1Q2016**”).

Overall, the Group’s revenue for 1Q2016 increased by RM\$43.5 million or 115% to RM\$81.3 million, up from RM\$37.8 million in the first quarter of fiscal year 2015 (“**1Q2015**”).

This increase is largely attributable to revenue contributed by the property division this quarter, which saw the completion of more development projects and units sold. The sale of construction materials and construction project also boosted revenue this quarter, offsetting a slight dip in revenue from the precision business division which recorded revenue of RM\$23.8 million in 1Q2016.

Despite profit after tax of RM3.8 million contributed by the property division, the resulting profit after tax for the Group is only RM0.3 million in 1Q2016, as compared to a profit after tax of RM3.5 million in 1Q2015, due mainly to the loss after tax of RM1.3 million recorded by the precision business division and increase in administrative expenses at the holding company.

Gross profit increased by 27%, from RM\$11.1 million in 1Q2015 to RM\$14.2 million in 1Q2016. However, a 12% rise in marketing and distribution costs, which were solely contributed by the precision business division, suitably offsetted the growth. In addition, administrative expenses such as higher employee benefits, largely owing to share option expenses recognised in 1Q2016 for options granted in June 2015, together with additional professional and advisory expenses incurred while exploring new business ventures, further dampened the overall profitability in 1Q2016.

Losses arising from the exchange rate translation of the precision business division's result to Ringgit stood at RM2.2 million. This resulted in an overall net loss of RM1.9 million for the Group this quarter.

Commenting on the latest financial performance and outlook for the Group, Mr Dominic Su, Chairman and Chief Executive Officer of Regal International Group remarked, **"We are generally pleased that our property projects continue to be well-received and remains anchored by our strong and distinctive brand name. Despite the seeming headwinds we have been facing for the past few quarters, the pace of existing development projects remains stable and we are on track for delivery to buyers."**

Outlook

Overall, the Group is cautiously confident that it will be able to counter the future headwinds with continual emphasis on cautious and sustainable management through adaptive strategies to grow beyond Kuching, improve cost competitiveness and control, position Regal as the gateway into East Malaysia and foster timely strategic changes to meet ever changing market needs and demands.

With affordable housing witnessing good demand in the coming year, the Group plans to put emphasis on its affordable housing segment and price them attractively to meet buyers' price expectations. Nonetheless, for its property division, the Group remains steadfast in pursuing its strategies of a diversified property portfolio across a wide range of locations, product offerings and pricing levels. This balanced approach will enable Regal to adapt quickly to changes in market demand.

For its precision business, in view of the anticipated challenges it will face in the years ahead, the Group intends to explore options to minimise its impact on the Group as a whole as well.

Note to editors: Please read this press release in conjunction with the financial announcement that is concurrently posted on the SGXnet.

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Issued on behalf of **Regal International Group Limited**
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About Regal International Group Ltd. (UV1.SI / 911619.TW)

Dual-listed on the mainboard of Singapore Exchange – Securities Trading Limited (“SGX”) (Stock code: UV1.SI) and as Taiwan Depository Receipts (TDR) on Taiwan Stock Exchange (“TWSE”) (Stock code: 911619.TW), Regal International Group Ltd. (“RIG” or the “Group”) is a diversified international business group comprising two core divisions. As one of the first Sarawak-based companies to list on the mainboard of the SGX, RIG’s vision is to be an international gateway for partners and investors to emerging business opportunities from East Malaysia.

Please visit our website at www.regalinternational.com.sg for more information.