

Regal International Group

Net Profit Increased by 138% for FY2017

Financial Highlights:

RM (million)	FY2017	FY2016	% Change
Revenue	168.57	149.01	13%
Cost of Sales	125.59	109.01	15%
Gross profit	42.99	40.00	7%
Profit before tax	7.40	3.50	112%
Net profit (loss) after tax	0.79	0.33	138%
Loss from discontinued operations*	-	(21.66)	N.M.
Exchange difference on foreign operations translation, net of tax	0.05	0.49	-90%
Total comprehensive income (loss) for the period	0.83	(28.03)	N.M.

*Note: Discontinued Operations refer to Precision Business division which has been disposed of as at 16 December 2016.

- Compared to FY2016, the Group's overall revenue raised 13% to RM168.57 million in FY2017, from RM149.01 million, largely due to an increase in construction contracts completed.
- Overall gross profit for FY2017 was 7% higher than FY2016 at RM42.99 million. Hence, resulting net profit after tax increased 138% from RM0.33 million in FY2016, to RM0.79 million for FY2017.
- The Group recorded an overall RM0.83 million total comprehensive income for the FY2017 period ending 31 December 2017, as compared to the total comprehensive loss of RM28.3 million for the corresponding period of FY2016, attributed by the loss from the discontinued operations.
- Conclusively, the Group has proved its capabilities to turn around after the disposal of its loss-making legacy precision business unit since December 2016.

- Moving into 2018, the optimistic 5.5% GDP outlook for Malaysia, the strengthening of Malaysia ringgit, as well as the stability in oil prices, reasonably lead to optimistic forecasts of a recovering property market in Malaysia¹.
- Sale of development properties has been lacklustre in FY2017, resulting in the built-up inventory of unsold completed units. However, given that most of the Group's development projects are reasonably priced and in prime attractive locations, discharging majority of the inventory units in FY2018 will not be of much concern.
- The Group will continue its pursuit for business expansion in 2018. Recently announced tie-ups with Koperasi Pembangunan Bako Kuching Berhad ("**Bako Development Cooperative**") and UniMap Holdings Sdn Bhd ("**UniMap Holdings**") are new initiatives to increase market share, stimulate new demands, and enhance the value-creation of our property development projects.

¹ Source: [BorneoPost Online "What to expect in 2018"](#)