

## Regal International Group Retains Profitability in Q1FY2018

### Financial Highlights:

RM (million)	1QFY2018	1QFY2017	% Change
Revenue	30.59	40.37	- 24%
Cost of Sales	21.69	27.67	- 22%
Gross profit	8.90	12.70	- 30%
Profit before tax	1.44	4.18	- 65%
Net profit after tax	0.68	2.67	- 74%
Exchange difference on foreign operations translation, net of tax	0.03	0.50	- 93%
Total comprehensive income for the period	0.72	3.16	- 77%

- Revenue and gross profit were RM30.59 million and RM8.90 million respectively in 1QFY2018, as compared to RM40.37 million and RM12.70 million in 1QFY2017.
- Gross profit margin dipped slightly from 31.5% in 1QFY2017 to 29.1% in 1QFY2018, as higher profit yielding developments were completed in 1Q2017 compared to 1Q2018.
- Despite reduction of RM1.11 million in administrative expenses, the Group's profit before tax contracted from RM4.18 million in 1QFY2017 to RM1.44 million in 1QFY2018, inducing a net profit after tax of RM0.68 million for the quarter.
- Nevertheless, the Group manages to retain profitability for 1QFY2018 with RM0.72 million of total comprehensive income, despite the lack of commercial project completion as in 1QFY2017 when total comprehensive income of RM3.16 million was recorded.
- Generally, with healthy GDP forecast of 5% to 5.5%, higher employment rates, rising oil prices and gradual strengthening of the Malaysian Ringgit<sup>1</sup>, all leading to rising income level, the Group is confident that the Sarawak property sector will see increasing activities within the next 12 months.
- Hence, with the progressive implementation of its cost-cutting and revenue enhancement strategies, Regal is confident that its financial performance will also improve in FY2018. Meanwhile, the Group strives to retain business consistency in profitability and sustainability.

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