

## Regal International Group Sustained 6<sup>th</sup> Consecutive Quarter of Profitability

### Financial Highlights:

RM (million)	2Q FY2018	2Q FY2017	% Change	1H FY2018	1H FY2017	% Change
Revenue	18.06	30.44	- 41%	48.65	70.81	- 31%
Cost of sales	10.21	20.45	- 50%	31.90	48.12	- 34%
Gross profit	7.85	9.99	- 21%	16.75	22.69	- 26%
Profit before tax	1.13	1.88	- 40%	2.57	6.05	- 58%
Net profit after tax	0.43	1.05	- 59%	1.12	3.72	- 70%
Exchange difference on foreign operations translation, net of tax	-	(0.47)	N.M.	0.03	0.02	+ 62%
Total comprehensive income for the period	0.43	0.58	- 25%	1.15	3.74	- 69%

- Revenue and gross profit were RM18.06 million and RM7.85 million respectively in 2QFY2018, as compared to RM30.44 million and RM9.99 million in 2QFY2017.
- Gross profit margin raised from 32.8% in 2QFY2017 to 43.4% in 2QFY2018, due to the increase in sales of higher profit yielding development and construction projects in 2Q2018.
- In comparison with 2QFY2017, both marketing and distribution costs as well as administrative expenses reduced noticeably in 2QFY2018. Marketing and distribution costs lowered 46%, from RM775,000 in 2QFY2017 to RM417,000 in 2QFY2018, while administrative expenses shrunk 15%, from RM6.88 million in 2QFY2017 to RM5.84 million in 2QFY2018 due to conscientious cost-cutting efforts.
- For 2QFY2018, the Group retained profitability with RM1.13 million of profit before tax and RM0.43 million in terms of total comprehensive income, making it the 6<sup>th</sup> consecutive quarter of profitability<sup>1</sup> since its disposal of its legacy precision business unit in December 2016.
- Despite challenges such as interest hike and stringent borrowings criteria, the overall Sarawak property market is considered “fairly stable with the All House Price Index growing steadily”<sup>2</sup>.

<sup>1</sup> Refers to profit before tax.

<sup>2</sup> Source: [TheEdge Markets](#) “Demand for high-rise residences picking up in Sarawak”