耀傑集团

Regal International Group

Mainboard listed
on SGX and TWSE -

UV1.SI Regal Intl
911619.TW 耀傑集團

Company Registration no.: 200508585R

For Immediate Release

REGAL INTERNATIONAL GROUP DELIVERS 233% GROWTH IN REVENUE AND 560% INCREASE IN GROSS PROFIT TO RM8.3 MILLION FOR 3QFY2016

- Gross profit improvement reflects ongoing growth in revenue which rose 233% year-on-year in 3QFY2016
- Improved gross profit helped to significantly narrow loss after tax from continuing operations to RM0.4 million compared to RM5.8 million in the same period last year
- Management continues to work actively to bring to completion the divestment of its legacy precision business
- The Group expects more completion in the next 12 months to bolster its revenue growth and remains proactive in seeking out new business ventures for longer-term growth

Financial Highlights

RM (million)	3QFY2016	3QFY2015	% Chg	9M FY2016	9M FY2015	% Chg
Revenue	37.2	11.2	233	113.4	27.9	+307
Gross Profit	8.3	1.3	560	23.5	6.7	+251
Profit before tax from Continuing Operations*	0.1	(6.0)	N.M.	1.2	(10.5)	N.M.
Net Loss After Tax from Continuing Operations*	(0.4)	(5.8)	-93	(0.1)	(10.3)	-99
Net Loss After Tax from Discontinued Operation*	(0.8)	(6.1)	-87	(21.0)	(10.7)	+97

**Note: Continuing Operations refers to the Property division, while Discontinued Operation refers to the Precision Business division which has been submitted to SGX-ST for approval of its disposal.*

Singapore, 11 November 2016 – Regal International Group ("**RIG**" or the "**Group**") has delivered a more than five-fold improvement in gross profit for its property development business to RM8.3 million for the three months ended 30 September 2016 ("**3QFY2016**") from RM1.3 million for the same period a year ago.

This significant gain came on the back of a 233% year-on-year increase in revenue to RM37.2 million during the quarter which saw higher project completions and sales. For 3QFY2016, gross profit margin improved to 22% from 11% in 3QFY2016. This was attributable to more higher-yielding property development units being sold during the period.

At the pre-tax level, RIG made a profit before tax of RM0.1 million for 3QFY2016 compared to a loss of RM6.0 million in the previous corresponding quarter. The pre-tax performance was mainly impacted by administrative expenses, arising largely from costs associated with the Group's new business ventures and taking into account expenses related to Employee Share Options Scheme. Nonetheless, both administrative expenses and finance costs in from the Group's continuing operations remained comparatively consistent between 3QFY2016 and 3QFY2015. Net loss for 3QFY2016 was RM0.4 million against RM5.8 million in the previous corresponding quarter.

On the third quarter performance, Mr Dominic Su, Chairman and Chief Executive Officer of RIG explained, "**We are pleased with our property sales momentum which has continued to gather strength despite the rather benign property market. Our reputation as a quality developer, combined with our resilience, adaptiveness and strong market network, has enabled us to rise to the challenges and kept us on growth track. While our administrative expenses remain significant, these ground work are necessary to lay the foundation for future growth."**

"Nonetheless, in the next few quarters, our performance will benefit from the even more successful completion and revenue recognition of several large scale on-going projects such as the Tropics City, Regal Corporate Park, Treetops@Kemena in Bintulu" Mr Su added.

Impact of Discontinued Operations

Without the impact of discontinued operations, RIG recorded a significantly lower net loss after tax of RM0.4 million and RM0.1 million for 3QFY2016 and 9MFY2016 respectively. Taking into account the performance of the precision business, which is classified as discontinued operation as it is in the midst of divestment, RIG recorded a net loss after tax of RM21.0 million for the nine months to 30 September 2016 from the precision business, due mainly to impairment loss.

RIG announced its plan to dispose of the legacy precision business in June 2016 so as to focus solely on the property development business. RIG's legacy precision business, which the management of RIG is working actively to complete the divestment, has been classified as discontinued operation.

Outlook

The property market for Sarawak is expected to remain steady despite the challenging economic environment. The anticipated slight slowdown in property sales due to the tightening of loan approvals by financial institutions in Malaysia is likely to be mitigated by the increase in public servants' housing loan limit provided under Malaysia's 2017 Budget.

"**On the core property development front, we remain on the look-out for choice sites in Kuching, Bintulu and rest of Malaysia which has the potential for us to develop projects that cater to demands. Beyond our current portfolio of property projects, RIG is also well positioned to capitalise on opportunities and grow through collaborations with partners in new business ventures.**" Mr Su added.

New business ventures and initiatives offer the Group opportunities for growth and expansion. As announced in September 2016, RIG has entered into a Heads of Agreement with China-Malaysia

Qinzhou Industrial Park Administrative Committee in conjunction with the development of the Halal Industry Zone within the China-Malaysia Qinzhou Industrial Park. This venture potentially enables businesses from China and Malaysia to collaborate and tap the global Halal market. RIG, through its leverage on Malaysia's widely accepted accreditation in Halal certification, has a strategic edge in providing the platform for aspiring businesses to expand into the fast-growing Halal market.

RIG established a logistics arm in October 2016 to collaborate with a Singapore-headquartered freight forwarding and logistics solutions provider to manage and run the latter's business for six months. This venture complements RIG's vision to be a Halal hub Industries park operator.

Separately, RIG has also established in October 2016 two real-estate focussed asset management companies, setting the Group's initial pace into the asset management business. The extension into asset management complements the Group's existing property development business, enabling RIG to work with its partner and future investors to acquire a target portfolio of quality real estate projects.

In addition, RIG has also incorporated a 70%-owned subsidiary, Regalia Properties Pte. Ltd., to market international investment properties located in Australia, United Kingdom, Malaysia and Thailand, based on a "high-touch" bespoke approach targeted at discerning qualified investors from Malaysia and Singapore.

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Issued on behalf of **Regal International Group Ltd.**
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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") (UV1.SI) and as Taiwan Depository Receipts (TDR) on Taiwan Stock Exchange ("TWSE") (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.