

Company Registration no.: 200508585R

For Immediate Release

REGAL INTERNATIONAL GROUP FY2016 RESULTS EXHIBITS MARKED REVENUE AND GROSS PROFIT INCREASE

- Strong pick up in sales and project completion saw revenue from property development business grow by 329% to RM149.0 million in FY2016, compared to RM34.8 million in FY2015.
- Gross profit for FY2016 surged 3553% to RM40.0 million due to completion and sales of higher profit yielding development and construction projects.
- Despite heightened expenses incurred for capacity building, profit before tax of RM3.5 million for FY2016, compared to a loss before tax of RM71.3 million in FY2015, reflects marked improvements in the Group's financial performance.
- Outlook for the Group in FY2017 remains positive with core focus on property development business, strong pipeline of new projects, coupled with prospective value-adding complementary business ventures that aligns with our core strategy of cost-cutting and revenue enhancement.
- Healthy property sales momentum underpinned by the Group's continued efforts to widen customer base, enhance contents of development projects and ability to build according to market demands.

Financial Highlights:

RM (million)	FY2016	FY2015	% Change
Continuing Operations*			
Revenue	149.0	34.8	+ 329%
Gross profit	40.0	1.1	+ 3553%
Profit (loss) before tax	3.5	(71.3)	N.M.
Net profit (loss) after tax	0.4	(70.9)	N.M.
Exchange difference on foreign operations translation, net of tax	0.5	7.7	N.M.
Discontinued Operation*			
Net loss after tax	(21.7)	(1.3)	+ 1584%
Reclassification adjustment relating to foreign operations disposed of, net of tax	(7.2)	-	N.M.
Group			
Net loss for the year, after tax	(21.3)	(72.4)	- 71%
Total comprehensive loss for the period	(28.0)	(64.5)	- 57%

*Note: Continuing Operations refer to the Property development division, while Discontinued Operation refers to the Precision Business division which has been disposed of as at 16 December 2016.

Singapore, 1 March 2017 - Regal International Group (“**RIG**” or the “**Group**”) a Singapore Stock Exchange (SGX) and Taiwan Stock Exchange (TWSE) Mainboard listed property developer is pleased to announce its financial results for the full year of 2016 (“**FY2016**”).

Revenue from the Group’s property development business increased by RM 114.2 million or 329% to RM 149.0 million in FY2016. The jump in revenue was largely attributable to the increase in development projects completed and the number of units sold in FY2016 as compared to FY2015. Likewise, gross profit for the property development business surged 3553%, rising from RM 1.1 million in FY2015 to RM 40.0 million in FY2016. The remarkable increase was a result of more high profit yielding development and construction projects being undertaken and completed in FY2016.

Compared to a loss before tax of RM 71.3 million in FY2015, the Group’s property development business recorded a profit before tax of RM 3.5 million in FY2016.

Without the influence of the discontinued operation, or the precision business division which has been disposed of, the Group would have registered a modest RM 0.4 million net profit after tax in FY2016, compared to the loss after tax of RM 70.9 million in FY2015. This is a small victory after taking into account the 20% increase in administrative expenses and 30% increase in finance costs in FY2016, as results of strategic business initiatives, increased development activities and business capacity building.

Following the Group’s completion of the disposal of its precision business in December 2016, the Group recognised a loss on disposal of RM 21.7 million, in addition to a reclassification adjustment of translation reserve relating to the discontinued operation approximately RM7.2 million, leading to an overall net loss of RM 28.0 million for the Group in FY2016.

Hence, in addition to the RM 39.3 million goodwill impairment shouldered by the Group and RM 1.3 million operating losses from precision business in FY2015, the total deficit caused by its legacy precision business to the Group’s financial performance in FY2015 and FY2016 is approximately RM 69.5 million, or 75% of the combined losses suffered by the Group during the financial years.

Positive Outlook

Looking into 2017, Sarawak’s economic conditions are expected to remain stable as mega-projects such as Sarawak Corridor of Renewable Energy (SCORE), the development of the Pan-Borneo Highway linking Sarawak and Sabah, as well as growing influx of China investments into Malaysia, are all expected to stimulate and support economic and employment growth. These developments in turn are expected to fortify the overall housing market in Sarawak.

Commenting on the latest financial performance and outlook for the Group, Mr Dominic Su, Chairman and Chief Executive Officer of RIG remarked, “**We are pleased with the improvements in the Group’s overall performance, especially the significant growth in our revenue. Our development projects are progressing well according to plan, and our efforts in stepping up our branding and marketing strategies have started to reap its rewards.**”

“**Following the disposal of our precision business, we are well-placed to continue our growth trajectory in our property business. We are optimistic that the upswing in our property business will continue in the year ahead as we aim to deliver greater value for our stakeholders.**”

With the divestment of its legacy precision business, the Group is now able to focus exclusively on its core business of property development and related ventures. The Group’s corporate strategy of

cost-cutting and revenue enhancement will assist RIG in streamlining its cost structure and maximising profitable returns.

Positioning itself as a value-adding property builder-developer and investment gateway for Malaysia (especially Sarawak), RIG seeks to include planned diversification into complementary ventures of sustainable growth as part of its long term expansion plan.

Strong Pipeline of Projects

The Group has completed its development projects in good pace, with a total of seven property projects completed in FY2016. Phase 1 of *Regal Corporate Park*, the Group's industrial park development, and phase 1 of *Airtrollis*, its residential and retail development located near Kuala Lumpur International Airport, are also well on track for completion in the first half of 2017.

The Group's mega property developments – Tropics City, an integrated SOHO, residential and retail development located within the renowned Jalan Song district of Kuching, and *Kemena Heights*, a mixed residential and commercial development located in Bintulu – will be the emphasis for the year 2017. Additionally, RIG will continue to explore opportunities for other mega property projects by way of joint ventures.

Moving ahead, the Group's continued efforts to widen customer base, enhance contents of development projects and its unique ability to build according to market demands will be the underlying rationales of constant healthy property sales.

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Note to editor: Please read this press release in conjunction with the Company's announcement released concurrently on the SGXNet on this subject.

Issued on behalf of **Regal International Group Ltd.**
By RHT Communications and Investor Relations Pte 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 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, connecting them to emerging business opportunities from East Malaysia.

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