

Regal International Group Elevates Confidence with Commendable Financial Performance in 1QFY2017

Financial Highlights:

RM (million)	1QFY2017	1QFY2016	% Change
Revenue	40.4	57.5	- 30%
Cost of Sales	27.7	48.7	- 43%
Gross profit	12.7	8.9	+ 43%
Profit before tax	4.2	2.2	+ 88%
Net profit after tax	2.7	1.8	+ 51%
Loss from discontinued operations*	-	(1.5)	N.M.
Exchange difference on foreign operations translation, net of tax	0.5	(2.2)	N.M.
Total comprehensive income (loss) for the period	3.2	(1.9)	N.M.

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

- Revenue and gross profit were RM40.4 million and RM12.7 million respectively in 1QFY2017, as compared to RM57.5 million and RM8.9 million in 1QFY2016.
- Gross profit margin was 31.5% in 1QFY2017 which is more than double of the recorded 15.4% in 1QFY2016, due to completion and sales of higher profit yielding development – Regal Corporate Park (Phase 1).
- Despite investments made in capacity building, profit before tax improved 88% to RM4.2 million in 1QFY2017, from RM2.2 million in 1QFY2016, marked the strengthening of the Group's financial performance after the disposal of its legacy business in December 2016.
- The Group recorded an overall RM3.2 million total comprehensive income for the period 1QFY2017, as compared to the total comprehensive loss of RM1.9 million for the period 1QFY2016, attributed by the loss from discontinued operations.
- The Group has been adopting a series of strategies of product innovation and value-creation via strategic alliances to heighten new demands and broaden its customer base. Positive property market sentiments, coupled with the integration of real estate products with complementary business ventures of sustainable growth, stepped-up marketing efforts and priced-to-sell strategies, foster the Group's confidence of its outlook for FY2017.
- With core strategies of cost-cutting and revenue enhancement in place, Regal aims to build up sustainable profitability for its stakeholders after the legacy business disposal.