

Regal International Group Records Consecutive Profits in 2QFY2017

Financial Highlights:

RM (million)	2QFY2017	2QFY2016	% Change	1HFY2017	1HFY2016	% Change
Revenue	30.4	18.7	+ 63%	70.8	76.2	- 7%
Cost of Sales	20.5	12.4	+ 65%	48.1	61.0	- 21%
Gross profit	10.0	6.3	+ 59%	22.7	15.1	+ 50%
Profit before tax	1.9	(1.0)	N.M.	6.0	1.1	+458%
Net profit after tax	1.1	(1.3)	N.M.	3.7	0.3	1196%
Loss from discontinued operations*	-	(20.5)	N.M.	-	(20.5)	N.M.
Exchange difference on foreign operations translation, net of tax	(0.5)	1.1	N.M.	0.0	(1.1)	N.M.
Total comprehensive income (loss) for the period	0.6	(19.3)	N.M.	3.7	(21.3)	N.M.

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

- Marked revenue increase of RM11.7 million or 63% from RM18.7 million in 2Q2016 to RM30.4 million in 2QFY2017, due mainly due to progressive and completion revenue recognised for development projects.
- Gross profit margin of 2QFY2016 and 2QFY2017 remain relatively constant at 33.6% and 32.8% respectively.
- Compared to 2QFY2016, overall gross profit increased 59% from RM 6.3 million to RM 10.0 million in 2QFY2017.
- Positive profit before tax and net profit after tax denoted the Group's resilience and consistent sales performance despite lacklustre market conditions.
- The Group recorded an overall RM0.6 million total comprehensive income for the period 2QFY2017, as compared to the total comprehensive loss of RM19.3 million for the period 2QFY2016, attributed by the loss from the discontinued operations.
- Stepping out from its previous underperforming legacy business unit, the Group focuses on the property development business in East Malaysia with two consecutive quarters of profits.
- The Group will continue to execute its property development forward strategies to increase market share and customer base; innovate property contents and values to create and stimulate new demands, and initiate strategic alliances with other complementary trade and industries for enhanced value-creation.