

## Regal International Group Remains Profitable

### Financial Highlights:

RM (million)	3Q FY2018	3Q FY2017	% Change
Revenue	21.75	35.24	- 38%
Cost of sales	14.21	25.56	- 44%
Gross profit	7.54	9.68	- 22%
Profit before tax	0.66	1.10	- 40%
Net profit after tax	0.14	0.27	- 50%
Exchange difference on foreign operations translation, net of tax	(0.05)	0.20	N.M.
Total comprehensive income for the period	0.08	0.46	- 82%

- Revenue and gross profit reduced from RM35.24 million and RM9.68 million in 3QFY2017, to RM21.75 million and RM7.54 million respectively in 3QFY2018 due to decrease in revenue recognition of construction and development projects.
- The increase in gross profit margin from 27.5% in 3QFY2017 to 34.7% in 3QFY2018 resulted from completion of higher profit yielding development and construction projects in 3Q2018.
- Administrative expenses and finance costs lowered collectively by RM2.24 million in 3QFY2018, as compared to 3QFY2017, resulting from reductions in borrowings, depreciation cost, as well as employee benefits expense.
- The Group achieved a final comprehensive income of RM84,000 for the period 3QFY2018, after offsetting a RM51,000 exchange difference loss on translating foreign operations from its RM135,000 profit after tax for the quarter.
- Malaysia's property market has been soft for the first half of 2018. It is believed that the property market would "need to tide through a period of adjustment, and clear existing stock"<sup>1</sup> before overall conditions could improve.
- The Group will continue to intensify marketing efforts, enhance and innovate property contents to create and stimulate new market demands. The Group is also exploring opportunities to embark on new affordable housing projects, in line with the current government's initiatives.

<sup>1</sup> Source: [Sarawak Property Bulletin "1st Half 2018 Property Market Review & Outlook"](#)