

For Immediate Release

REGAL INTERNATIONAL GROUP SEES 195% RISE IN REVENUE AND 444% JUMP IN GROSS PROFIT IN 2Q2016

- Revenue from property development business in 2Q2016 grew 195% to RM18.7 million due to more development projects completed and an increase in the number of units sold.
- Gross profit for 2Q2016 jumped 444% to RM6.3 million due to completion and sales of development projects which yielded better margins.
- On a segmental basis, the property business yielded healthy gross profit margin of 34% and contributed profit after tax of RM0.7 million in 2Q2016.
- Outlook for the Group in 2Q2016 remains positive with potential new projects in the pipeline and a stable property market in Sarawak.
- Strategically, Regal continues to explore new possibilities through an asset management establishment, eco-tourism collaborations and Sino-Malaysia ventures.

Financial Highlights:

RM (million)	2Q FY2016	2Q FY2015	% Change
Continuing Operations*			
Revenue	18.7	6.3	+195.0%
Gross profit	6.3	1.2	+444.0%
Net Loss After tax from Continuing Operation*	(1.3)	(4.4)	-70.0%
Net Loss After tax from Discontinued Operation*	(20.5)	(8.0)	155%
Total Comprehensive Loss for the period	(19.3)	(5.9)	229%

*Note: Continuing Operation 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, 12 August 2016 – Regal International Group Ltd. (“**RIG**” or the “**Group**”) a Singapore Stock Exchange (SGX) and Taiwan Stock Exchange (TWSE) Mainboard listed diversified international business group is pleased to announce its financial results for the second quarter of fiscal year 2016 (“**2Q2016**”).

Revenue from the Group’s property development business increased by RM12.4 million or 195% to RM18.7 million in 2Q2016. This was a result of revenue recognised from the increase in development projects completed and the number of units sold in 2Q2016 as compared to 2Q2015. Growth in the sale of construction materials and construction projects also contributed to the Group’s revenue boost this quarter.

Likewise, gross profit increased by 444% for the property development business, from RM1.2 million in 2Q2015 to RM6.3 million in 2Q2016. This was largely attributable to the increase in completion of higher profit yielding development projects and units sold in the second quarter. The property development business also benefited from lower costs associated with the use of a value engineering approach.

Despite the profit after tax of RM0.7 million contribution by the property development business, the Group’s continuing business presented a net loss of RM1.3 million after accounting for the RM1.9 million administrative expenses of the holding company. Overall, the Group recorded a net loss of RM19.3 million for the Group in 2Q2016 due mainly to the impact of impairment losses from its discontinued operation, namely the precision business.

Following the Group’s announcement on its proposal to dispose of its precision business for a cash consideration of S\$7 million and the net proceeds from the sale of its industrial property building, the Group recognised this quarter an impairment loss of RM18.1 million to reduce the carrying amount of the assets in the precision business to the fair value less costs to sell. With demand in the manufacturing and semiconductor industry remaining weak, the precision business also recorded an operating loss, net of tax, of RM1.1 million.

Pending the necessary approval from SGX-ST with regard to the disposal of its precision business, the Group plans to focus exclusively on its property

development business and positions itself as a property builder-developer and the investment gateway for Malaysia (especially Sarawak).

Outlook

Commenting on the latest financial performance and outlook for the Group, Mr Dominic Su, Chairman and Chief Executive Officer of RIG remarked, **“Overall 2Q2016 is a very positive quarter, despite the impact of the discontinued operation, or the legacy precision business under Hisaka Group. Strong boosts in revenue and gross profit in 2Q2016 demonstrates that we are on the right growth trajectory.**

We are completing our development projects in good pace and are pleased with the sales performance of our units. Property market in Sarawak projects stability going forward, hence we are optimistic that our diversified portfolio of property developments will continue to be well-received by buyers who will also be attracted by our robust track record and competitive pricing.”

As one of the first Sarawak-based property companies to list on the mainboard of the SGX-ST, RIG’s vision is to be the international gateway for partners and investors to emerging business opportunities from East Malaysia. The Group has been forging partnerships with like-minded partners on exciting new potential developments.

The Group recently entered into a Memorandum of Understanding (“MOU”) with a Singapore consortium to explore opportunities to own, develop and operate a sustainable eco-resort destination and vacation community in Sarawak, Malaysia. It also entered a MOU with SINAD Sports Pte Ltd to potentially establish a real estate-focused asset management company. Extending its reach into China, RIG, via its wholly owned subsidiary Regal Lands Sdn Bhd, is also exploring the potential of globalizing China’s beautiful village model with the signing of MOU with Hangzhou Ego Group.

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**Note to Editors: Please read this press release in conjunction with the financial announcement that is concurrently posted on the SGXnet.*

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”) (Stockcode:UV1.SI) and as Taiwan Depository Receipts (TDR) on Taiwan Stock Exchange (“TWSE”) (Stock code: 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 Malaysia (especially Sarawak).

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