

## Unaudited Financial Statements and Related Announcement for the Third Quarter Ended 30 September 2015

### PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

On 24 September 2014, the Company had obtained shareholders' approval on resolutions relating to the Proposed Acquisition. On 29 October 2014, the Company announced that the Proposed Acquisition has been completed.

Upon the completion of the Reverse Takeover ("RTO"), the enlarged group comprised of the property business arm, Regal International Holdings Pte Ltd and its subsidiaries ("Regal Group") and the precision business arm ("Hisaka Group") (collectively, the "Enlarged Group").

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### At Group Level

The Acquisition has been accounted as a RTO in accordance with FRS 103 Business Combinations and the legal subsidiary, Regal International Holdings Pte. Ltd., is regarded as the acquirer and the Company, previously known as HISAKA Holdings Ltd ("HISAKA") before completion on 29 October 2014, as the acquiree, for accounting purposes. As such, the consolidated financial statements have been prepared and presented as a continuation of the Regal Group.

The above accounting treatment is only applied to the consolidated financial statements of the Group. At the Company level, the investment in Regal International Holdings Pte. Ltd. is accounted for as an investment in a subsidiary.

Accordingly, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the twelve months period ended 31 December 2014 have been presented as a continuation of the Regal Group's financial results and operations.

Since such consolidated financial statements represent a continuation of the Regal Group:

- (a) the assets and liabilities of the Regal Group are recognised and measured in the consolidated statement of financial position at their pre-combination carrying amounts;
- (b) the assets and liabilities of HISAKA, the acquiree, are recognised and measured in accordance with FRS103;
- (c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the Regal Group immediately before the business combination;
- (d) the amount recognised as issued equity interest in the consolidated financial statements is determined by adding to the issued equity of Regal Group immediately before the business combination the fair value of HISAKA. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the combination; and
- (e) the comparative figures presented in these consolidated financial statements are that of consolidated financial statements of the Regal Group.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purposes). Therefore, the cost of the business combination for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values at 29 October 2014.

## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

---

### At Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in Regal Group is accounted for at cost less accumulated impairment losses, if any.

Notes:

- The Group's consolidated statement of comprehensive income, consolidated statement of cashflows and consolidated statement of changes in equity for the three-month period ended 30 September 2015 ("3Q2015") refer to the Enlarged Group which included the results of Regal Group from 1 July 2015 to 30 September 2015 and the results of the Hisaka Group for the period from 1 July 2015 to 30 September 2015.
- The Group's consolidated statement of comprehensive income and consolidated statement of cashflows for the nine-month period ended 30 September 2015 ("9M2015") refer to the Enlarged Group which included the results of Regal Group from 1 January 2015 to 30 September 2015 and the results of the Hisaka Group for the period from 1 January 2015 to 30 September 2015.
- The Group's consolidated statement of comprehensive income, consolidated statement of cashflows and consolidated statement of changes in equity for the three-month period ended 30 September 2014 ("3Q2014") refer to the results of Regal Group from 1 July 2014 to 30 September 2014.
- The Group's consolidated statement of comprehensive income and consolidated statement of cashflows for the nine-month period ended 30 September 2014 ("9M2014") refer to the Enlarged Group which included the results of Regal Group from 1 January 2014 to 30 September 2014.
- The Group's consolidated statement of financial position as at 30 September 2015 and 31 December 2014 refers to the Enlarged Group which consists of the assets and liabilities of the Regal Group and the Hisaka Group as at 30 September 2015 and 31 December 2014.
- The Company's statement of financial position as at 30 September 2015 and 31 December 2014 and the statement of changes in equity for the three-month period ended 30 September 2015 and 30 September 2014 refer to that of Regal International Group Limited.

**REGAL International Group Ltd.**

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income	Group			Group		
	3Q2015 RM'000	3Q2014 RM'000	Change %	9M2015 RM'000	9M2014 RM'000	Change %
<b>Revenue</b>	29,982	11,660	157.1%	97,032	23,258	317.2%
Cost of Sales	(24,766)	(11,677)	112.1%	(74,229)	(18,976)	291.2%
<b>Gross Profit /(Loss)</b>	5,216	(17)	N.M.	22,803	4,282	432.5%
<b><u>Other Items of Income</u></b>						
Interest Income	16	1	994.5%	56	12	349.9%
Other Gains	1,573	262	500.0%	3,101	820	278.1%
<b><u>Other Items of Expense</u></b>						
Marketing and Distribution Costs	(1,949)	-	N.M.	(5,389)	-	N.M.
Administrative Expenses	(9,866)	(3,185)	209.7%	(25,060)	(10,335)	142.5%
Share Option expenses	(930)	-	N.M.	(930)	-	N.M.
Other Charges	(147)	(1)	N.M.	(3,644)	(732)	397.8%
Finance Costs	(540)	(232)	132.6%	(1,549)	(409)	278.7%
Share of Profit (Loss) from Equity-Accounted Associates	596	(49)	N.M.	797	1,370	-41.8%
<b>Loss Before Tax</b>	(6,031)	(3,221)	87.2%	(9,815)	(4,992)	96.6%
Income Tax (Expenses)/Credit	(58)	-	N.M.	(837)	169	N.M.
<b>Loss, Net of Tax</b>	(6,089)	(3,221)	89.1%	(10,652)	(4,823)	120.9%
<b><u>Other Comprehensive Income</u></b>						
Exchange Differences on Translating Foreign Operations, Net of Tax	6,841	-	N.M.	10,353	-	N.M.
<b>Total Comprehensive Income Profit (Loss) for the Year</b>	<b>752</b>	<b>(3,221)</b>	N.M.	<b>(299)</b>	<b>(4,823)</b>	-93.8%
Loss Attributable to Equity Holders of Parent, Net of Tax	(6,125)	(3,222)	N.M.	(10,704)	(4,825)	N.M.
Profit Attributable to Non-Controlling Interest, Net of Tax	36	1	N.M.	52	2	N.M.
<b>Loss, Net of Tax</b>	<b>(6,089)</b>	<b>(3,221)</b>	89.1%	<b>(10,652)</b>	<b>(4,823)</b>	120.9%
Total Comprehensive Income Profit (Loss) Attributable to Equity Holders of the Parent	716	(3,222)	-122.2%	(351)	(4,825)	-92.7%
Total Comprehensive Income Attributable to Non-Controlling Interests	36	1	N.M.	52	2	N.M.
<b>Total Comprehensive Income Profit (Loss) for the Year</b>	<b>752</b>	<b>(3,221)</b>	-123.4%	<b>(299)</b>	<b>(4,823)</b>	-93.8%

N.M. – Not meaningful

## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

### 1(a)(ii) Notes to statement of comprehensive income

Profit (Loss) before tax is stated after (charging)/crediting:

	Group			Group		
	3Q2015	3Q2014	Change	9M2015	9M2014	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Interest income	16	1	994.5%	56	12	349.9%
Interest expense	(540)	(232)	132.6%	(1,549)	(409)	278.7%
Allowance for impairment on inventories - reversal	206	-	N.M.	801	-	N.M.
Allowance for impairment of trade receivables	(396)	-	N.M.	(17)	-	N.M.
Foreign exchange adjustment net gain	1,398	-	N.M.	1,624	-	N.M.
Share option expenses	(930)	-	N.M.	(930)	-	N.M.
Gain on disposal of investment in associate	-	-	N.M.	78	-	N.M.
Waiver of loan to associate	-	-	N.M.	(3,497)	-	N.M.

N.M. - Not meaningful

REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	As at	As at	As at	As at
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Property, Plant and Equipment	23,345	16,567	119	-
Goodwill	39,330	39,330	-	-
Available-For Sale Financial Asset	1,563	-	1,563	-
Investment in Subsidiaries	-	-	400,792	353,429
Other Assets, Non-Current	6,740	9,387	-	-
Investment in Associates	10,762	13,290	-	3,381
Deferred Tax Assets	1,327	1,065	-	-
<b>Total Non-Current Assets</b>	<b>83,067</b>	<b>79,639</b>	<b>402,474</b>	<b>356,810</b>
<b><u>Current Assets</u></b>				
Development Properties	100,580	50,068	-	-
Inventories	37,906	30,299	-	-
Trade and Other Receivables	83,953	78,915	19,269	6,971
Other Assets, Current	4,297	3,964	136	24
Cash and Cash Equivalents	27,455	27,696	3,295	7,710
<b>Total Current Assets</b>	<b>254,191</b>	<b>190,942</b>	<b>22,700</b>	<b>14,705</b>
<b>Total Assets</b>	<b>337,258</b>	<b>270,581</b>	<b>425,174</b>	<b>371,515</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share Capital	133,052	133,052	369,551	369,551
Retained (Accumulated Losses )/ Earnings	(5,182)	5,522	(32,427)	(17,403)
Other Reserves, total	16,419	5,043	74,113	9,631
<b>Equity, Attributable to Equity Holders of Parent, Total</b>	<b>144,289</b>	<b>143,617</b>	<b>411,237</b>	<b>361,779</b>
Non-Controlling Interests	186	134	-	-
<b>Total Equity</b>	<b>144,475</b>	<b>143,751</b>	<b>411,237</b>	<b>361,779</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	1,546	1,392	(34)	-
Other Financial Liabilities, Non-Current	14,232	13,654	10,910	-
<b>Total Non-Current Liabilities</b>	<b>15,778</b>	<b>15,046</b>	<b>10,876</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	14,969	15,707	24	86
Trade and Other Payables	69,337	55,541	3,037	9,650
Other Liabilities	6,243	1,546	-	-
Other Financial Liabilities, Current	27,109	16,456	-	-
Progress Billings Received and Receivables	59,347	22,534	-	-
<b>Total Current Liabilities</b>	<b>177,005</b>	<b>111,784</b>	<b>3,061</b>	<b>9,736</b>
<b>Total Liabilities</b>	<b>192,783</b>	<b>126,830</b>	<b>13,937</b>	<b>9,736</b>
<b>Total Equity and Liabilities</b>	<b>337,258</b>	<b>270,581</b>	<b>425,174</b>	<b>371,515</b>

## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

BORROWING AND DEBT SECURITIES	Group	
	As at 30 Sep 2015	As at 31 Dec 2014
	RM'000	RM'000
<b><u>Amount repayable in one year or less, or on demand</u></b>		
- secured	27,109	16,456
- unsecured	-	-
	<b>27,109</b>	<b>16,456</b>
<b><u>Amount repayable after one year</u></b>		
- secured	14,232	13,654
- unsecured	-	-
	<b>14,232</b>	<b>13,654</b>

### Details of any collateral:

The banking facilities of the Enlarged Group comprise bank overdraft, term loans, finance leases and trade lines.

The bank overdrafts are covered by:

1. Pledge of the fixed deposits with licensed banks of certain subsidiaries;
2. Joint and several guarantees of certain directors of the Company; and
3. First party charge and first/second legal charges on some of the subsidiaries' projects land and building.

The term loans are covered by the following:-

1. Upfront fixed deposit of RM260,000 and interest to be capitalised;
2. Joint and several guarantee by certain directors of the Company;
3. Joint and several guarantee by an ex-director of one of the subsidiaries of the Group;
4. First party charge on the Company's keyman insurance
5. First party charge and first/second legal charges on some of the subsidiaries' projects land and building; and
6. Corporate guarantees provided by the Company.

REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

<b>Consolidated Statement of Cash Flows</b>	<b>3Q2015</b>	<b>3Q2014</b>	<b>9M2015</b>	<b>9M2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash Flows From Operating Activities</u></b>				
Loss Before Tax	(6,031)	(3,221)	(9,815)	(4,992)
Depreciation of Property, Plant and Equipment	1,690	424	2,882	900
Waiver of quasi-equity loan to associates	-	-	3,497	-
Interest Expense	540	232	1,549	409
Interest Income	(16)	(1)	(56)	(12)
Share option expense	930	-	930	-
Gain on Disposal of Investment in Associates	-	-	(78)	-
Plant and Equipment Written Off	31	-	31	-
Gain on Disposal of Plant and Equipment	(158)	(19)	(158)	(19)
Provision for Impairment in Value of Shares in Associates Written Back	-	-	-	(27)
Share of (Profit) Loss of Associates	(596)	49	(797)	(1,370)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	6,710	(22)	10,352	(9)
<b>Operating Cash Flows before Changes in Working Capital</b>	<b>3,100</b>	<b>(2,558)</b>	<b>8,337</b>	<b>(5,120)</b>
Inventories	(4,545)	4,291	(7,607)	5,604
Trade and Other Receivables	(7,213)	9,328	(11,541)	25,952
Other Assets, Current	232	-	(334)	-
Accrued progress billing	6,505	-	6,505	-
Development Properties	(17,169)	(10,137)	(50,512)	(46,415)
Progress Billings Received and Receivables	26,834	482	36,812	3,903
Trade and Other Payables	534	401	13,433	7,082
Other Liabilities	(127)	-	4,697	-
<b>Net Cash Flows From (Used In) Operations Before Tax</b>	<b>8,151</b>	<b>1,807</b>	<b>(210)</b>	<b>(8,994)</b>
Income Tax Paid	(571)	(63)	(1,684)	(323)
<b>Net Cash Flows From (Used In) Operating Activities</b>	<b>7,580</b>	<b>1,744</b>	<b>(1,894)</b>	<b>(9,317)</b>
<b><u>Cash Flows From Investing Activities</u></b>				
Purchase of Property, Plant and Equipment	(214)	(735)	(1,234)	(1,232)
Other Assets, Non-Current	1,445	(2,178)	2,647	(2,951)
Financial Asset	(1,562)	-	(1,562)	-
Increase in Investment in Associates	-	-	-	(100)
Proceeds From Sale of Property, Plant and Equipment	403	19	403	19
Interest Received	16	1	56	12
<b>Net Cash Flows From (Used in) Investing Activities</b>	<b>88</b>	<b>(2,893)</b>	<b>310</b>	<b>(4,252)</b>
<b><u>Cash Flows From Financing Activities</u></b>				
(Decrease) Increase in Other Financial Liabilities	(4,384)	169	(8,702)	(31)
Repayment of Borrowings	(206)	-	(2,735)	(685)
Other Receivables/Payables - Amount Owing From/To Directors	265	875	364	7,233
Cash Restricted in Use	(1,267)	-	(1,272)	(9)
Proceeds from Borrowings	8,552	1,460	11,630	5,237
Interest Paid	(540)	(232)	(1,549)	(409)
<b>Net Cash Flows From (Used in) Financing Activities</b>	<b>2,420</b>	<b>2,272</b>	<b>(2,264)</b>	<b>11,336</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>10,088</b>	<b>1,123</b>	<b>(3,848)</b>	<b>(2,233)</b>
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	8,985	(4,276)	22,921	(920)
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>19,073</b>	<b>(3,153)</b>	<b>19,073</b>	<b>(3,153)</b>
<b>Cash and cash equivalents comprised of :</b>				
Cash and bank balances	27,455	1,808	27,455	1,808
Bank overdraft	(6,817)	(4,668)	(6,817)	(4,668)
Cash restricted in use	(1,565)	(293)	(1,565)	(293)
	<b>19,073</b>	<b>(3,153)</b>	<b>19,073</b>	<b>(3,153)</b>

# REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note : The Foreign Exchange Reserve and Merger Reserve are not available for distribution as cash dividends.

Statements of Changes in Equity								
	Total Equity	Attributable to Parent Sub- Total	Share Capital	Retained Earnings	Foreign Exchange Reserve	Merger Reserves	Share Option Reserves	Non-Controlling Interests
<u>Group</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Previous year:</b>								
Opening balance at 1 July 2014	27,759	27,760	25	21,785	-	5,950	-	(1)
<b>Movements in equity :</b>								
Total comprehensive (loss) income for the Period	(3,221)	(3,222)	-	(3,222)	-	-	-	1
Adjustment arising from merger reserve	(2,772)	(2,772)	-	-	-	(2,772)	-	-
<b>Closing balance at 30 Sep 2014</b>	<b>21,766</b>	<b>21,766</b>	<b>25</b>	<b>18,563</b>	<b>-</b>	<b>3,178</b>	<b>-</b>	<b>-</b>
<b>Current year:</b>								
Opening balance at 1 July 2015	142,925	142,775	133,052	943	5,377	3,178	225	150
<b>Movements in equity :</b>								
Total comprehensive income (loss) for the Period	752	716	-	(6,125)	6,841	-	-	36
Issue of share options	798	798	-	-	-	-	798	-
<b>Closing balance at 30 Sep 2015</b>	<b>144,475</b>	<b>144,289</b>	<b>133,052</b>	<b>(5,182)</b>	<b>12,218</b>	<b>3,178</b>	<b>1,023</b>	<b>186</b>

	Total Equity	Share Capital	Foreign Exchange Reserve	Share Options Reserve	Retained Earnings / (Accumulated Losses)
<u>Company</u>	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Previous year:</b>					
Opening balance at 1 July 2014	88,655	69,524	-	-	19,131
Total comprehensive income for the year	11,240	-	-	-	11,240
Dividend Paid	(7,896)	-	-	-	(7,896)
<b>Closing balance at 30 Sep 2014</b>	<b>91,999</b>	<b>69,524</b>	<b>-</b>	<b>-</b>	<b>22,476</b>
<b>Current year:</b>					
Opening balance at 1 July 2015	370,170	369,551	30,287	225	(29,893)
Total comprehensive (loss) income for the year	40,300	-	42,803	31	(2,534)
Issue of share options	767	-	-	767	-
<b>Closing balance at 30 Sep 2015</b>	<b>411,237</b>	<b>369,551</b>	<b>73,090</b>	<b>1,023</b>	<b>(32,427)</b>



## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

---

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's share capital and treasury shares since the end of the previous period reported on.

As at 30 September 2015 and 30 September 2014, the Company did not hold any treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	Number of shares issued	Issued and paid up share capital RM'000
Ordinary shares of no par value:		
Share capital as at 1 January 2014	175,343,026	69,524
Share capital after the 3-1 share consolidation	58,447,392	69,524
Consideration shares issued pursuant to the professional fees for an arranger	11,666,667	24,762
Consideration shares issued pursuant to the Acquisition of Regal Group	130,000,000	275,920
Number of shares after the Acquisition	200,114,059	370,206
Share issuance cost		(655)
Share capital as at 31 December 2014 and 30 September 2015		369,551

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to its audited financial statements as at 31 Dec 2014, except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and took effect from 1 Jan 2015.

## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above. The adoption of the new and revised FRSs had no material effect on the Group's accounting policies and had no significant impact on the Group's financial statements.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (a) Based on the weighted average number of ordinary shares on issue:

EARNINGS PER SHARE (EPS)	Group		Group	
	3Q2015	3Q2014	9M2015	9M2014
Loss attributable to the equity holders of the parent during the financial period (RM'000)	(6,125)	(3,222)	(10,704)	(4,825)
Weighted average number of ordinary shares on issue	200,114,059	130,000,000	200,114,059	130,000,000
<b>Basic losses per share for profit attributable to equity holders of the parent during the financial period (Sens)</b>	<b>(3.06)</b>	<b>(2.48)</b>	<b>(5.35)</b>	<b>(3.71)</b>

- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

There is no fully diluted earnings per share shown as the impact of ESOP share options are anti-dilutive.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and

- (b) immediately preceding financial year.

NET ASSET VALUE	Group		Company	
	As at 30 Sept 2015	As at 31 Dec 2014	As at 30 Sept 2015	As at 31 Dec 2014
Net asset value (RM'000)	144,289	143,617	411,237	361,779
Number of issued shares excluding treasury shares	200,114,059	200,114,059	200,114,059	200,114,059
<b>Net asset value per ordinary share (Sens)</b>	<b>72.10</b>	<b>71.77</b>	<b>205.50</b>	<b>180.79</b>

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Statement of Comprehensive Income**

The Group's revenue increased by RM18.3 million or 157.1% from RM11.7 million in 3Q2014 to RM30.0 million in 3Q2015.

The increase in revenue is due mainly to the contribution of the precision business revenue amounting to RM18.8 million in 3Q2015 subsequent to the completion of the reverse takeover by the Regal Group on 29 October 2014. The revenue in 3Q2014 comprised solely of income from the property business arm. The property business arm recorded a slight decrease in revenue by RM0.5 million to RM11.2 million in 3Q2015 compared to RM11.7 million in 3Q2014 arising from fewer units sold in 3Q2015 compared to 3Q2014.

Other gains increased from RM0.3 million in 3Q2014 to RM1.6 million in 3Q2015, mainly due to net foreign exchange gains recognised in 3Q2015. There were none in 3Q2014.

The Group's marketing and distribution costs in 3Q2015 were contributed solely by the precision business arm. There were no marketing and distribution costs recorded in 3Q2014 as the precision business arm's results were only consolidated into the Group subsequent to the RTO on 29 October 2014.

The Group's administrative expenses increased by RM6.7 million or 209.7% to RM9.9 million in 3Q2015 compared to RM3.2 million in 3Q2014 mainly due to higher employee benefits expenses and depreciation charges. The increase is also due to the inclusion of the precision business' administrative expenses upon completion of the RTO on 29 October 2014.

The Group's finance costs increased from RM0.2 million in 3Q2014 to RM0.5 million in 3Q2015 mainly due to increase in borrowings of the Group.

There was a share of profit from equity-accounted associates mainly due to profits recognised in the Group's investment in Tiya Development Sdn Bhd ("Tiya") in 3Q2015 compared to 3Q2014 when the Group recorded a share of loss in Tiya.

As a result of the above, the Group recorded a net loss after tax of RM6.1 million in 3Q2015 compared to a net loss after tax of RM3.2 million in 3Q2014.

The exchange differences on translating foreign operations relates to the translation of the precision business arm results to Ringgit, which is the presentation currency of the Group. There were none in 3Q2014 as the RTO was completed during the last quarter of FY2014.

### **Statement of Financial Position**

The non-current assets of the Group increased by RM3.4 million to RM83.1 million mainly due to the following:

1. Property, plant and equipment increased by RM6.8 million as at 3Q2015 compared to FY2014 mainly due to increase in purchases of plant and equipment by the property division;
2. Available-for-sale financial asset relates to the Keyman Insurance policy taken up by the Company for an executive Director in 3Q2015. There was none taken up in FY2014; and
3. Deferred tax assets increased by RM0.3 million to RM1.3 million due to deferred tax arising from the share options expense.

The increase is partially offset by the following:

1. Other assets, non-current decreased by RM2.6 million to RM6.7 million mainly due to lower advances to landowners by the Property Division.
2. Investment in associates of the Group decreased from RM13.3 million to RM10.8 million mainly due to the disposal of SSPL, an associated company of the Precision Business, in 2Q2015.

The current assets of the Group increased by RM63.2 million as at 3Q2015 compared to FY2014. The increase is mainly due to the increase in development properties by RM50.5 million and higher inventories of RM7.6 million. The increase is also due to an increase in trade and other receivables by RM5.0 million mainly due to higher progressive claims towards the end of 3Q2015 by the Property Business as well as higher trade receivables by the Precision Business in 3Q2015 compared to FY2014.

Current liabilities of the Group increased by RM65.2 million from RM111.8 million as at FY2014 to RM177.0 million as at 3Q2015. The increase is mainly due to the following:

- 1) increase in trade and other payables of RM69.3 million in 3Q2015 compared to RM55.5 million as at FY2014;
- 2) increase in other financial liabilities, current of RM27.1 million in 3Q2015 compared to RM16.5 million in FY2014 arising from increased borrowings;
- 3) increase in other liabilities of RM6.2 million in 3Q2015 compared to RM1.5 million in FY2014; and
- 4) increase in progress billings received and receivable on the Group's projects of RM59.3 million in 3Q2015 compared to RM22.5 million in FY2014.

### Company

Available-for-sale financial asset relates to the Keyman Insurance policy taken up by the Company for an Executive Director in 3Q2015. There was none taken up in FY2014.

Investment in associates decreased from RM3.4 million as at 31 December 2014 to Nil as at 3Q2015 mainly due to the restructuring of the precision business arm resulting in the transfer of the Company's investment in associated company, Singapore Synergy Pte Ltd to under Hisaka International Holdings Pte Ltd (formerly known as iEcopolis Pte Ltd) in 1Q2015. SSPL was subsequently disposed off by the Precision Business Group in 2Q2015.

### Statement of Cash flows

Net cash and cash equivalents held by the Group increased to RM19.1 million in 3Q2015 from net overdraft of RM3.2 million in 3Q2014. This is mainly due to the inclusion of the precision business arms' cash and cash equivalents in 3Q2015 as well as increased borrowings by the Group.

- 9 [Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.](#)

The results are in line with the profit guidance issued on 06 November 2015

- 10 [A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.](#)

For the property division, with the weakening Malaysian economy, the Board envisages that FY2015 will continue to be a challenging year for the Group.

The Group expects that several projects would be completed over the next 12 months. Meanwhile, the Group will continue to add more projects through joint ventures with landowners, either entirely by cash or a combination of both, where viable, in the coming quarters. This should increase our product range, developable lands and projects and improve our sales.

For the precision business, its operating environment continues to be challenging and volatile.

- 11 [Dividend](#)

- (a) [Current Financial Period Reported On](#)  
[Any dividend recommended for the current financial period reported on?](#)

Nil

- (b) [Corresponding Period of the Immediately Preceding Financial Year](#)

## REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the Third Quarter ended 30 September 2015

---

*Any dividend recommended for the corresponding period of the immediately preceding financial year?*

Nil

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The board of Directors of the Company confirms to the best of its knowledge that nothing has come to its attention which may render the third quarter results ended 30 September 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD  
Su Chung Jye  
Chairman and Chief Executive Officer

Wong Pak Kiong  
Executive Director

12 November 2015