



CESSATION OF ASSOCIATED COMPANIES

CIMB Bank Berhad, Singapore branch was the financial adviser to the Company for the acquisition of the entire issued and paid up share capital of Regal International Holdings Pte. Ltd. (the "Financial Adviser"). The Financial Adviser (i) assumes no responsibility for; and (ii) does not endorse, the contents of this announcement (or any matter contemplated herein).

The Board of Directors of Regal International Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly owned subsidiary, Hisaka International Holdings Pte. Ltd. ("**Hisaka Holdings**"), has disposed of its entire equity interests of 600,000 ordinary shares ("**Shares**") in Singapore Synergy Holdings Pte Ltd ("**Singapore Synergy**"), representing 33.33% of its issued and paid up share capital of S\$1,800,000, (the "**Disposal**") to Mr. Lim Kwee Chuan for the consideration of S\$100,000 (the "**Consideration**"). Singapore Synergy holds 100% of the entire issued share capital of Sanwa Synergy Holdings India Pvt Ltd ("**Sanwa India**"). Immediately following the Disposal, Singapore Synergy and Sanwa India have ceased to be associated companies of the Group.

The Consideration was arrived at on a willing buyer, willing seller basis and satisfied fully in cash. The unaudited book value and unaudited net tangible asset value of Singapore Synergy as at 31 March 2015 were both S\$32,761. The Disposal is part of the Group's strategy to streamline its businesses, allowing the Group to consolidate and re-allocate its human and capital resources more efficiently.

Separately, Hisaka (Singapore) Pte Ltd, a wholly owned subsidiary of the Company engaged in the Precision Business Division, intends to write-off the quasi-equity loan of S\$1,297,455 owing by Singapore Synergy to it.

The Disposal constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Disposal is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Company and its subsidiaries for the financial year ending 31 December 2015.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

By Order of the Board

Su Chung Jye
Executive Chairman and Chief Executive Officer
18 May 2015