

Unaudited Financial Statements and Related Announcement for the Second Quarter Ended 30Jun 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.

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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 June 2015("2Q2015") refer to the Enlarged Group which included the results of Regal Group from 1 April 2015 to 30 June 2015 and the results of the Hisaka Group for the period from 1 April 2015 to 30 June 2015.
- The Group's consolidated statement of comprehensive income and consolidated statement of cashflows for the six-month period ended 30 June 2015 ("1H2015") refer to the Enlarged Group which included the results of Regal Group from 1 January 2015 to 30 June 2015 and the results of the Hisaka Group for the period from 1 January 2015 to 30 June 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 June 2014("2Q2014") refer to the results of Regal Group from 1 April 2014 to 30 June 2014.
- The Group's consolidated statement of financial position as at 30 June 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 June 2015 and 31 December 2014.
- The Company's statement of financial position as at 30 June 2015 and 31 December 2014 and the statement of changes in equity for the three-month period ended 30 June 2015 and 30 June 2014 refer to that of Regal International Group Limited.

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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		Change %	Group		Change %
	202015 RM'000	202014 RM'000		1H2015 RM'000	1H2014 RM'000	
Revenue	29,212	7,159	308.1%	67,050	11,598	478.1%
Cost of Sales	(22,774)	(4,140)	450.1%	(49,463)	(7,299)	577.7%
Gross Profit	6,438	3,019	113.3%	17,587	4,299	309.1%
<u>Other Items of Income</u>						
Interest Income	15	5	186.0%	40	11	255.7%
Other Gains	589	431	36.8%	1,528	558	174.0%
<u>Other Items of Expense</u>						
Marketing and Distribution Costs	(1,711)	-	N.M.	(3,440)	-	N.M.
Administrative Expenses	(8,358)	(4,358)	91.8%	(15,194)	(7,150)	112.5%
Other Charges	(4,190)	(731)	472.9%	(3,497)	(731)	378.1%
Finance Costs	(538)	(124)	332.5%	(1,009)	(177)	468.7%
Share of (Loss) Profit from Equity-Accounted Associates	(97)	577	N.M.	201	1,419	-85.8%
Loss Before Tax	(7,852)	(1,181)	564.6%	(3,784)	(1,771)	113.6%
Income Tax (Expenses)/Credit	(183)	169	N.M.	(779)	169	N.M.
Loss, Net of Tax	(8,035)	(1,012)	693.8%	(4,563)	(1,602)	184.8%
<u>Other Comprehensive Income</u>						
Exchange Differences on Translating Foreign Operations, Net of Tax	2,162	-	N.M.	3,512	-	N.M.
Total Comprehensive Loss for the Year	(5,873)	(1,012)	480.2%	(1,051)	(1,602)	-34.4%
Loss Attributable to Equity Holders of Parent, Net of Tax	(8,101)	(1,012)	700.3%	(4,579)	(1,603)	185.6%
Profit Attributable to Non-Controlling Interest, Net of Tax	66	-	N.M.	16	1	1442.9%
Loss, Net of Tax	(8,035)	(1,012)	693.8%	(4,563)	(1,602)	184.8%
Total Comprehensive Loss Attributable to Equity Holders of the Parent	(5,939)	(1,012)	486.7%	(1,067)	(1,603)	-33.4%
Total Comprehensive Income Attributable to Non-Controlling Interests	66	-	N.M.	16	1	1442.9%
Total Comprehensive Loss for the Year	(5,873)	(1,012)	480.2%	(1,051)	(1,602)	-34.4%

N.M. – Not meaningful

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

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

	Group				Group		
	2Q2015 RM'000	2Q2014 RM'000	Change %		1H2015 RM'000	1H2014 RM'000	Change %
Depreciation of property, plant and equipment	(513)	(249)	106%		(1,192)	(476)	150.3%
Interest income	15	9	63%		40	15	162.1%
Interest expense	(538)	(124)	333%		(1,009)	(177)	468.8%
Allowance for impairment on inventories - reversal	175	-	N.M.		595	-	N.M.
Allowance for impairment of trade receivables - reversal	273	-	N.M.		379	-	N.M.
Foreign exchange adjustment net (loss) gain	(693)	-	N.M.		226	-	N.M.
Share option expenses	(225)	-	N.M.		(225)	-	N.M.
Gain on disposal of investment in Associate	78	-	N.M.		78	-	N.M.
Waiver of loan to associate	(3,497)	-	N.M.		(3,497)	-	N.M.

N.M. - Not meaningful

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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 30.06.2015	As at 31.12.2014	As at 30.06.2015	As at 31.12.2014
	RM'000	RM'000	RM'000	RM'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	20,714	16,567	4	-
Goodwill	39,330	39,330	-	-
Investment in Subsidiaries	-	-	363,701	353,429
Other Assets, Non-Current	8,185	9,387	-	-
Investment in Associates	10,168	13,290	-	3,381
Deferred Tax Assets	1,139	1,065	8	-
Total Non-Current Assets	79,536	79,639	363,713	356,810
<u>Current Assets</u>				
Development Properties	83,410	50,068	-	-
Inventories	33,361	30,299	-	-
Trade and Other Receivables	83,245	78,915	10,726	6,971
Other Assets, Current	4,529	3,964	92	24
Cash and Cash Equivalents	16,383	27,696	2,038	7,710
Total Current Assets	220,928	190,942	12,856	14,705
Total Assets	300,464	270,581	376,569	371,515
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	133,052	133,052	369,551	369,551
Retained Earnings / (Accumulated losses)	943	5,522	(29,893)	(17,403)
Other Reserves, total	8,780	5,043	30,512	9,631
Equity, Attributable to Equity Holders of Parent, Total	142,775	143,617	370,170	361,779
Non-Controlling Interests	150	134	-	-
Total Equity	142,925	143,751	370,170	361,779
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,392	1,392	-	-
Other Financial Liabilities, Non-Current	13,159	13,654	-	-
Total Non-Current Liabilities	14,551	15,046	-	-
<u>Current Liabilities</u>				
Income Tax Payable	15,448	15,707	48	86
Trade and Other Payables	69,075	55,541	6,351	9,650
Other Liabilities	6,370	1,546	-	-
Other Financial Liabilities, Current	19,583	16,456	-	-
Progress Billings Received and Receivables	32,512	22,534	-	-
Total Current Liabilities	142,988	111,784	6,399	9,736
Total Liabilities	157,539	126,830	6,399	9,736
Total Equity and Liabilities	300,464	270,581	376,569	371,515

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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 Jun 2015	As at 31 Dec 2014
	RM'000	RM'000
Amount repayable in one year or less, or on demand		
- secured	19,285	16,456
- unsecured	-	-
	19,285	16,456
Amount repayable after one year		
- secured	13,159	13,654
- unsecured	-	-
	13,159	13,654

Details of any collateral:

The banking facilities of the Enlarged Group comprised of 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 ex-director of one of the subsidiaries of the Group;
4. First party charge and first/second legal charges on some of the subsidiaries' projects land and building; and
5. Corporate guarantees provided by the Company.

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- 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.

Consolidated Statement of Cash Flows	2Q2015	2Q2014	1H2015	1H2014
	RM'000	RM'000	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>				
Loss Before Tax	(7,852)	(1,181)	(3,784)	(1,771)
Adjustments for:				
Depreciation of Property, Plant and Equipment	513	249	1,192	476
Waiver of quasi-equity loan to associates	3,419	-	3,419	-
Interest Expense	538	124	1,009	177
Interest Income	(15)	(9)	(40)	(15)
Share option expense	225	-	225	-
Gain on Disposal of Investment in Associates	78	-	78	-
Provision for Impairment in Value of Shares in Associates Written Back	-	(27)	-	(27)
Share of Loss (Profit) of Associates	97	(577)	(201)	(1,419)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	2,053	8	3,339	9
Operating Cash Flows before Changes in Working Capital	(944)	(1,413)	5,237	(2,570)
Inventories	316	2,872	(3,062)	1,313
Trade and Other Receivables	4,873	13,683	(4,328)	16,627
Other Assets, Current	(436)	-	(566)	-
Development Properties	(7,179)	(34,656)	(33,343)	(36,278)
Progress Billings Received and Receivables	1,432	130	9,978	3,421
Trade and Other Payables	(4,262)	11,145	13,435	6,681
Other Liabilities	5,085	-	4,824	-
Net Cash Flows Used In Operations Before Tax	(1,115)	(8,239)	(7,825)	(10,806)
Income Tax Paid	(204)	(199)	(1,113)	(260)
Net Cash Flows Used In Operating Activities	(1,319)	(8,438)	(8,938)	(11,066)
<u>Cash Flows From Investing Activities</u>				
Purchase of Property, Plant and Equipment	(930)	(402)	(1,020)	(497)
Other Assets, Non-Current	299	(773)	1,202	(773)
Increase in Investment in Associates	-	(51)	-	(100)
Interest Received	15	9	40	15
Net Cash Flows (Used in) From Investing Activities	(616)	(1,217)	222	(1,355)
<u>Cash Flows From Financing Activities</u>				
Decrease in Other Financial Liabilities	(677)	-	(4,318)	(200)
Repayment of borrowings	(1,206)	(670)	(3,065)	(685)
Other receivables/payables - amount owing from/to Directors	-	3,357	99	6,358
Cash Restricted in Use	-	(4)	(5)	(9)
Proceeds from borrowings	3,078	3,777	3,078	3,777
Interest Paid	(538)	(124)	(1,009)	(177)
Net Cash Flows From (Used in) Financing Activities	657	6,336	(5,220)	9,064
Net decrease in Cash and Cash Equivalents	(1,278)	(3,319)	(13,936)	(3,356)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	10,263	(957)	22,921	(920)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	8,985	(4,276)	8,985	(4,276)
<u>Cash and cash equivalents comprised of :</u>				
Cash and bank balances	16,383	1,195	16,383	1,195
Bank overdraft	(7,099)	(5,178)	(7,099)	(5,178)
Cash restricted in use	(299)	(293)	(299)	(293)
	8,985	(4,276)	8,985	(4,276)

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- 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	Share	Retained	Foreign Exchange	Merger	Share Option	Non-Controlling
		Sub- Total	Capital	Earnings	Reserve	Reserves	Reserves	Interests
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous year:								
Opening balance at 1 April 2014	28,771	28,772	25	22,797	-	5,950	-	(1)
Total comprehensive loss for the year	(1,012)	(1,012)	-	(1,012)	-	-	-	-
Closing balance at 30 June 2014	27,759	27,760	25	21,785	-	5,950	-	(1)
Current year:								
Opening balance at 1 April 2015	148,573	148,489	133,052	9,044	3,215	3,178	-	84
Movements in equity :								
Total comprehensive income (loss) for the year	(5,873)	(5,939)	-	(8,101)	2,162	-	-	66
Issue of share options	225	225	-	-	-	-	225	-
Closing balance at 30 June 2015	142,925	142,775	133,052	943	5,377	3,178	225	150

	Total Equity	Share Capital	Foreign Exchange Reserve	Share Options Reserve	Retained Earnings / (Accumulated Losses)
Company	RM'000	RM'000	RM'000	RM'000	RM'000
Previous year:					
Opening balance at 1 April 2014	77,829	69,524	-	-	8,305
Total comprehensive income for the year	10,826	-	-	-	10,826
Closing balance at 30 June 2014	88,655	69,524	-	-	19,131
Current year:					
Opening balance at 1 April 2015	359,011	369,551	17,270	-	(27,810)
Total comprehensive (loss) income for the year	10,934	-	13,017	-	(2,083)
Issue of share options	225	-	-	225	-
Closing balance at 30 June 2015	370,170	369,551	30,287	225	(29,893)

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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 Jun 2015 and 30 Jun 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.

	As at 30 Jun 2015	As at 31 Dec 2014
Total number of issued shares excluding treasury shares	200,114,059	200,114,059

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.

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.

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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	
	2QFY15	2QFY14	1HFY15	1HFY14
Loss attributable to the equity holders of the parent during the financial period (RM'000)	(8,101)	(1,012)	(4,579)	(1,603)
Weighted average number of ordinary shares on issue	200,114,059	130,000,000	200,114,059	130,000,000
Basic losses per share for profit attributable to equity holders of the parent during the financial period (RM cents)	(4.05)	(0.78)	(2.29)	(1.23)

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

Diluted earnings per share is not presented as there is no potential dilutive ordinary share existing during the relevant financial periods presented.

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 Jun 2015	As at 31 Dec 2014	As at 30 Jun 2015	As at 31 Dec 2014
Net asset value (RM'000)	142,775	143,617	370,170	361,779
Number of issued shares excluding treasury shares	200,114,059	200,114,059	200,114,059	200,114,059
Net asset value per ordinary share	0.71	0.72	1.85	1.81

- 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 RM22.0 million or 308.1% from RM7.2million in 2Q2014 to RM29.2 million in 2Q2015.

The increase in revenue is due mainly to the contribution of the precision business revenue amounting to RM22.9 million in 2Q2015 subsequent to the completion of the reverse takeover by the Regal Group on 29 October 2014. The revenue in 2Q2014 comprised solely of income from the property business arm. The property business arm recorded a decrease in revenue by RM0.9 million to RM6.3 million in 2Q2015 compared to RM7.2 million in 2Q2014 arising from fewer units sold in 2Q2015 compared to 2Q2014. There were no projects completed in 2Q2014 and 2Q2015.

Other gainsincreased from RM0.4 million in 2Q2014 to RM0.6 million in 2Q2015, mainly due to reversal of allowance for impairment of trade receivables in 2Q2015. There were none in 2Q2014.

The Group's marketing and distribution costs in 2Q2015 were contributed solely by the precision business arm. There were no marketing and distribution costs recorded in 2Q2014 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 RM4.0 million or 91.8% to RM8.4 million in 2Q2015compared to RM4.4 million in 2Q2014 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 other charges increased from RM0.7 million in 2Q2014 to RM4.2 million in 2Q2015 mainly due to the waiver of the quasi-equity loan to Singapore Synergy Pte Ltd ("SSPL"), an associated company of the Precision Business that was disposed in 2Q2015amounting to RM3.5 million.

There was a share of loss from equity-accounted associates mainly due to losses recognised in the Group's investment in Tiya Development Sdn Bhd ("Tiya")in2Q2015 compared to 2Q2014 when the Group recorded a share of profit in Tiya.

As a result of the above, the Group recorded a net loss after tax of RM8.0 million in 2Q2015 compared to a net loss after tax of RM1.0 million in 2Q2014.

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 2Q2014 as the RTO was completed during the last quarter of FY2014.

Statement of Financial Position

Property, plant and equipment increased by RM4.1 million as at 2Q2015 compared to FY2014 mainly due to increase in purchases of plant and equipment by the property division.

The investment in associates of the Group decreased from RM13.3 million to RM10.2 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 RM30.0 million as at 2Q2015 compared to FY2014. The increase is mainly due to the increase in development properties by RM33.3 million and higher inventories of RM3.1 million. The increase is also due to an increase in trade and other receivables by RM4.3 million mainly due to higher progressive claims towards the end of 2Q2015 by the Property Business as well as higher sales by the Precision Business in 2Q2015 compared to FY2014.

The increase in current assets is partially offset by the decrease in cash and cash equivalents by RM11.3 million due to the increased property development activities of the property business arm as well as payments for operating expenses of the Group.

Current liabilities of the Group increased by RM31.2 million from RM111.8 million as at FY2014 to RM143.0 million as at 2Q2015. The increase is mainly due to the following:

- 1) increase in trade and other payables of RM69.1 million in 2Q2015 compared to RM55.5 million as at FY2014;
- 2) increase in other financial liabilities, current of RM19.6 million in 2Q2015 compared to RM16.5 million in FY2014;
- 3) increase in other liabilities of RM6.4 million in 2Q2015 compared to RM1.5 million in FY2014; and
- 4) increase in progress billings received and receivable on the Group's projects of RM32.5 million in 2Q2015 compared to RM22.5 million in FY2014.

Company

Investment in associates decreased from RM3.4 million as at 31 December 2014 to Nil as at 30 June 2015 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

Netcash and cash equivalents held by the Group increased from a net overdraft of RM4.3 million in 2Q2014 to a positive cash position of RM9.0 million in 2Q2015 mainly due to the inclusion of the precision business arms' cash and cash equivalents in 2Q2015. The net cash used in operations in 2Q2014 and 2Q2015 are mainly due to increased property development activities of the Group during these two periods.

- 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 released on 11 August 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, the business environment continues to be challenging. The Group will continue to build on its existing strategies and adapt to meet the challenges faced in this evolving business environment.

For the precision business, the operating environment remains 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
Any dividend recommended for the corresponding period of the immediately preceding financial year?

Nil

- (c) Date Payable

Not applicable.

- (d) Books Closure Date

REGAL International Group Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the second quarter ended 30 Jun 2015

Not applicable.

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

No dividend has been declared or recommended.

- 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 second quarter results ended 30 Jun 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

14 August 2015