

Unaudited Financial Statements and Related Announcement for the First Quarter Ended 31 Mar 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 first quarter ended 31 Mar 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 31 March 2015 refer to the Enlarged Group which included the results of Regal Group from 1 January 2015 to 31 March 2015 and the results of the Hisaka Group for the period from 1 January 2015 to 31 March 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 31 March 2014 refer to the results of Regal Group from 1 January 2014 to 31 March 2014.
- The Group's consolidated statement of financial position as at 31 March 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 31 March 2015 and 31 December 2014.
- The Company's statement of financial position as at 31 March 2015 and 31 December 2014 and the statement of changes in equity for the three-month period ended 31 March 2015 and 31 March 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 first quarter ended 31 Mar 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		Change %
	1Q2015 RM'000	1Q2014 RM'000	
Revenue	37,838	4,439	752.4%
Cost of Sales	(26,689)	(3,159)	744.9%
Gross Profit	11,149	1,280	771.0%
<u>Other Items of Income</u>			
Interest Income	25	6	316.7%
Other Gains	1,632	127	1185.0%
<u>Other Items of Expense</u>			
Marketing and Distribution Costs	(1,729)	-	N.M.
Administrative Expenses	(6,836)	(2,792)	144.8%
Finance Costs	(471)	(53)	788.7%
Share of Profit from Equity-Accounted Associates	298	842	-64.6%
Profit (Loss) Before Tax	4,068	(590)	N.M.
Income Tax Expense	(596)	-	N.M.
Profit (Loss), Net of Tax	3,472	(590)	N.M.
<u>Other Comprehensive Income</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	1,350	-	N.M.
Total Comprehensive Income (Loss) for the Year	4,822	(590)	N.M.
Profit (Loss) Attributable to Equity Holders of Parent, Net of Tax	3,522	(591)	N.M.
(Loss) Profit Attributable to Non-Controlling Interest, Net of Tax	(50)	1	-5100.0%
Profit (Loss), Net of Tax	3,472	(590)	N.M.
Total Comprehensive Income (Loss) Attributable to Equity Holders of the Parent	4,872	(591)	N.M.
Total Comprehensive (Loss) Income Attributable to Non-Controlling Interests	(50)	1	-5100.0%
Total Comprehensive Income (Loss) for the Year	4,822	(590)	N.M.

N.M. – Not meaningful

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 2015

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

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

	Group		
	1Q2015 RM'000	1Q2014 RM'000	Change %
Depreciation of property, plant and equipment	(679)	(227)	199.1%
Interest income	25	6	316.7%
Interest expense	(471)	(53)	788.7%
Allowance for impairment on inventories - reversal	420	-	N.M.
Allowance for impairment of trade receivables - reversal	106	-	N.M.
Foreign exchange adjustment net gain	919	-	N.M.

N.M. - Not meaningful

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014
	RM'000	RM'000	RM'000	RM'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	19,618	16,567	5	-
Goodwill	39,330	39,330	-	-
Investment in Subsidiaries	-	-	351,518	353,429
Other Assets, Non-Current	8,484	9,387	-	-
Investment in Associates	13,655	13,290	-	3,381
Deferred Tax Assets	1,049	1,065	-	-
Total Non-Current Assets	82,136	79,639	351,523	356,810
<u>Current Assets</u>				
Development Properties	76,232	50,068	-	-
Inventories	33,677	30,299	-	-
Trade and Other Receivables	88,117	78,915	10,367	6,971
Other Assets, Current	4,093	3,964	65	24
Cash and Cash Equivalents	17,129	27,696	3,559	7,710
Total Current Assets	219,248	190,942	13,991	14,705
Total Assets	301,384	270,581	365,514	371,515
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	133,052	133,052	369,551	369,551
Retained Earnings / (Accumulated losses)	9,044	5,522	(27,810)	(17,403)
Other Reserves, total	6,393	5,043	17,270	9,631
Equity, Attributable to Equity Holders of Parent, Total	148,489	143,617	359,011	361,779
Non-Controlling Interests	84	134	-	-
Total Equity	148,573	143,751	359,011	361,779
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,392	1,392	-	-
Other Financial Liabilities, Non-Current	12,961	13,654	-	-
Total Non-Current Liabilities	14,353	15,046	-	-
<u>Current Liabilities</u>				
Income Tax Payable	15,379	15,707	71	86
Trade and Other Payables	73,337	55,541	6,433	9,650
Other Liabilities	1,285	1,546	-	-
Other Financial Liabilities, Current	17,377	16,456	-	-
Progress Billings Received and Receivables	31,080	22,534	-	-
Total Current Liabilities	138,458	111,784	6,503	9,736
Total Liabilities	152,811	126,830	6,503	9,736
Total Equity and Liabilities	301,384	270,581	365,514	371,515

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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 31 Mar 2015	As at 31 Dec 2014
	RM'000	RM'000
<u>Amount repayable in one year or less, or on demand</u>		
- secured	17,377	16,456
- unsecured	-	-
	17,377	16,456
<u>Amount repayable after one year</u>		
- secured	12,961	13,654
- unsecured	-	-
	12,961	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. Yearly fixed deposit of RM30,000 to commence 6 months after initial release of facilities;
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. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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.

Consolidated Statement of Cash Flows	1Q2015	1Q2014
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Profit (Loss) Before Tax	4,068	(590)
Adjustments for:		
Depreciation of Property, Plant and Equipment	679	227
Interest Expense	471	53
Interest Income	(25)	(6)
Share of Profit of Associates	(298)	(842)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	1,286	1
Operating Cash Flows before Changes in Working Capital	6,181	(1,157)
Inventories	(3,378)	(1,559)
Trade and Other Receivables	(9,201)	2,945
Other Assets, Current	(130)	-
Development Properties	(26,164)	(1,622)
Progress Billings Received and Receivables	8,545	3,291
Trade and Other Payables	17,697	(4,464)
Other Liabilities	(261)	-
Net Cash Flows (Used In) From Operations Before Tax	(6,710)	(2,566)
Income Tax Paid	(909)	(61)
Net Cash Flows Used In Operating Activities	(7,619)	(2,627)
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(90)	(95)
Other Assets, Non-Current	903	-
Increase in Investment in Associates	-	(49)
Interest Received	25	6
Net Cash Flows From (Used in) Investing Activities	837	(138)
<u>Cash Flows From Financing Activities</u>		
Increase (Decrease) in Other Financial Liabilities	(3,640)	(200)
Repayment of borrowings	(1,859)	(15)
Other receivables/payables - amount owing from/to Directors	99	3,001
Cash Restricted in Use	(5)	(5)
Interest Paid	(471)	(53)
Net Cash Flows (Used in) From Financing Activities	(5,877)	2,728
Net decrease in Cash and Cash Equivalents	(12,658)	(37)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	22,921	(920)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	10,263	(957)
Cash and cash equivalents comprised of :		
Cash and bank balances	17,129	1,059
Bank overdraft	(6,567)	(1,726)
Cash restricted in use	(299)	(290)
	10,263	(957)

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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	Share	Retained	Foreign Exchange	Merger	Non-controlling
	RM'000	sub- total	capital	earnings	Reserve	Reserves	interests
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous year:							
Opening balance at 1 January 2014	29,401	29,362	25	23,387	-	5,950	39
Total comprehensive loss for the year	(591)	(590)	-	(590)	-	-	(1)
Absorption of minority interest disposed in prior year	(39)	-	-	-	-	-	(39)
Closing balance at 31 March 2014	28,771	28,772	25	22,797	-	5,950	(1)
Current year:							
Opening balance at 1 January 2015	143,751	143,617	133,052	5,522	1,865	3,178	134
Total comprehensive income (loss) for the year	4,822	4,872	-	3,522	1,350	-	(50)
Closing balance at 31 March 2015	148,573	148,489	133,052	9,044	3,215	3,178	84

	Total Equity	Share Capital	Foreign Exchange Reserve	Retained Earnings / (Accumulated Losses)
Company	RM'000	RM'000	RM'000	RM'000
Previous year:				
Opening balance at 1 January 2014	82,573	69,524	-	13,049
Total comprehensive loss for the year	(234)	-	-	(234)
Dividend	(4,510)	-	-	(4,510)
Closing balance at 31 March 2014	77,829	69,524	-	8,305
Current year:				
Opening balance at 1 January 2015	361,779	369,551	9,631	(17,403)
Total comprehensive (loss) income for the year	(2,768)	-	7,639	(10,407)
Closing balance at 31 March 2015	359,011	369,551	17,270	(27,810)

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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 31 Mar 2015 and 31 Mar 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 31 March 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. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 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	
	1QFY15	1QFY14
Profit / (Loss) attributable to the equity holders of the parent during the financial period (RM'000)	3,522	(591)
Weighted average number of ordinary shares on issue	200,114,059	130,000,000
Basic earnings/ (losses) per share for profit attributable to equity holders of the parent during the financial period (RM cents)	1.76	(0.45)

- (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	As at	As at	As at
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Net asset value (RM'000)	148,489	143,617	359,011	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 (RM cents)	0.74	0.72	1.79	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 RM33.4 million or 752.4% from RM4.4 million in 1Q2014 to RM37.8 million in 1Q2015.

The increase in revenue is due mainly to the contribution of the precision business revenue amounting to RM27.5 million in 1Q2015 subsequent to the completion of the reverse takeover by the Regal Group on 29 October 2014. The revenue in 1Q2014 comprised solely of income from the property business arm. The property business arm recorded an increase in revenue by RM5.9 million to RM10.3 million in 1Q2015 compared to RM4.4 million in 1Q2014 arising from higher building construction revenue.

The Group's marketing and distribution costs in 1Q2015 were contributed solely by the precision business arm. There were no marketing and distribution costs recorded in 1Q2014 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 144.8% to RM6.8 million in 1Q2015 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.

Other gains increased from RM0.1 million in 1Q2014 to RM1.6 million in 1Q2015, mainly due to reversal of allowance for impairment of inventories and foreign exchange adjustment net gains recognised in 1Q2015. There were none in 1Q2014.

There was a share of profit from equity-accounted associates mainly due to the recognition of profits in the Group's investment in Tiya Development Sdn Bhd ("Tiya") for both 1Q2014 and 1Q2015.

The Group recorded a net profit after tax of RM3.5 million in 1Q2015 compared to a loss after tax of RM0.6 million in 1Q2014 mainly due to the inclusion of the results of the precision business as well as improved quarter on quarter performance of the property business.

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 1Q2014 as the RTO was completed during the last quarter of FY2014.

Statement of Financial Position

Property, plant and equipment increased by RM3.1 million as at 1Q2015 compared to FY2014 mainly due to increase in purchases of plant and equipment by the property division.

The current assets of the Group increased by RM28.3 million as at 1Q2015 compared to FY2014. The increase is mainly due to the increase in development properties by RM26.2 million and higher inventories of RM3.4 million. The increase is also due to an increase in trade and other receivables by RM9.2 million mainly due to higher sales by the precision business arm during 1Q2015.

The increase in current assets is partially offset by the decrease in cash and cash equivalents by RM10.6 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 RM26.7 million from RM111.8 million as at FY2014 to RM138.5 million as at 1Q2015. The increase is mainly due to the increase in trade and other payables of RM73.3 million in 1Q2015 compared to RM55.5 million as at FY2014. The increase is also due to an increase in progress billings received and receivable on the Group's projects by RM8.5 million in 1Q2015.

Company

Investment in associates decreased from RM3.4 million as at 31 December 2014 to Nil as at 31 March 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).

Statement of Cash flows

Net cash and cash equivalents held by the Group increased from RM1.0 million in 1Q2014 to RM10.3 million in 1Q2015 mainly due to the inclusion of the precision business arms' cash and cash equivalents in 1Q2015. The net cash used in operations increased mainly due to increased property development activities of the Group.

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

Not applicable. No forecast or prospect statement have been previously disclosed.

- 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 recent introduction of the Goods & Services Tax (GST) in Malaysia as well as increased competition from other property players in East Malaysia, the Board envisages that FY2015 will continue to be a challenging year for the Group.

The Group has sought to lower our cost of production where possible and incorporated new joint venture companies such as Regal Steelink Sdn Bhd and Luminous Paints Sdn Bhd as announced on 15 April 2015 to undertake roofing and paint works. On this principle, to make it more sustainable and innovative, the Group will charter growth based on careful matching of pragmatic strategies to the current market.

The Group will endeavor 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
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.

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 2015

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 first quarter results ended 31 Mar 2015 to be false or misleading in any material aspect.

REGAL International Group Ltd. (formerly known as HISAKA Holdings Ltd.)

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the first quarter ended 31 Mar 2015

PART II – ADDITIONAL INFORMATION PURSUANT TO LISTING MANUAL

15 Use of IPO Proceeds

	S\$'000
Net proceeds from IPO	12,570
Expand manufacturing facilities	(1,000)
Expand sales and marketing team and establish a research and development team	(2,500)
Enter into potential strategic acquisitions or joint ventures to expand our existing product and service range and to acquire new technologies	(2,500)
Working capital	(6,570)
Balance as at 31 Dec 2014	-

Breakdown of IPO proceeds used for working capital

	S\$'000
Administrative expense of the company	1,673
Operating expenses of subsidiaries	3,949
Sales and marketing expense of subsidiaries	948
	6,570

Use of TDR Proceeds

	S\$'000
Proceeds from TDR	10,171
Set up facility for the manufacturing of portable blood bag warmer system	(149)
Working capital for the manufacturing of portable blood bag warmer system	(10,022)
Balance as at 31 Dec 2014	-

Breakdown of TDR proceeds used for working capital

	S\$'000
Portable blood bag warmer system	
Research and development expenses	2,669
Testing and certification	320
Marketing and promotion	64
Semiconductor and automation business and all medical devices	
Administrative expense of the company	265
Operatinf expenses of subsidiaries	6,704
	10,022

All IPO and TDR proceeds have been fully utilised as at 31 December 2014.

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

Wong Pak Kiong
Executive Director

7 May 2015