

Unaudited Financial Statements and Related Announcement for the Full Year Ended 31 December 2015

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

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's circular to Shareholders dated 24 September 2014 (the "Circular").

On 24 September 2014, the Company 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 division ("Regal Group") and the precision business division ("Hisaka Group") (collectively, the "Enlarged Group").

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

At Group Level

The Acquisition was accounted as a RTO in accordance with FRS 103 Business Combinations and the legal subsidiary, Regal International Holdings Pte. Ltd., was 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 Regal International Holdings Pte. Ltd. and its subsidiaries ("Regal Group" or "Group").

The above accounting treatment was only applied to the consolidated financial statements of the Group. At Company level, the investment in Regal International Holdings Pte. Ltd. has been 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 and 31 December 2015 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 was 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.

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 the legal subsidiaries ("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 cash flows and consolidated statement of changes in equity for the financial year ended 31 December 2015 refer to the Enlarged Group which included the results of Regal Group and Hisaka Group from the period of 1 January 2015 to 31 December 2015.
- The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the financial year ended 31 December 2014 refer to the results of Regal Group from 1 January 2014 to 31 December 2014.
- The Group's consolidated statement of financial position as at 31 December 2015 refers to the Enlarged Group which consists of the assets and liabilities of the Regal Group and the Hisaka Group as at 31 December 2015.
- The Group's consolidated statement of financial position as at 31 December 2014 refers to the consolidated statement of financial position of the Regal Group and Hisaka Group as at 31 December 2014.
- The Company's statement of financial position as at 31 December 2015 and the statement of changes in equity for the financial year ended 31 December 2015 refer to that of Regal International Group Limited.

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 %
	FY2015 RM'000	FY2014 RM'000	
Revenue	120,716	95,297	26.7%
Cost of Sales	(99,959)	(63,094)	58.4%
Gross Profit	20,757	32,203	-35.5%
Other Items of Income			
Interest Income	72	29	148.3%
Other Gains	3,515	2,693	30.5%
Other Items of Expense			
Marketing and Distribution Costs	(7,097)	(1,093)	549.3%
Administrative Expenses	(38,393)	(18,464)	107.9%
Other Losses	(45,515)	(6,302)	622.2%
Finance Costs	(2,565)	(785)	226.8%
Share option expenses	(1,631)	-	N.M.
Reverse Takeover Related Expenses	-	(30,061)	N.M.
Share of (Loss) Profit from Equity-Accounted Associates	(1,400)	8,876	N.M.
Loss Before Tax	(72,257)	(12,904)	460.0%
Income Tax Credit (Expense)	86	(4,965)	N.M.
Loss, Net of Tax	(72,171)	(17,869)	303.9%
Other Comprehensive Income (Loss)			
Exchange Differences on Translating Foreign Operations, Net of Tax	7,703	1,865	313.0%
Total Comprehensive Loss for the Year	(64,468)	(16,004)	302.8%
Loss Attributable to Equity Holders of Parent, Net of Tax	(72,403)	(17,865)	305.3%
Loss Attributable to Non-Controlling Interest, Net of Tax	232	(4)	N.M.
Loss, Net of Tax	(72,171)	(17,869)	N.M.
Total Comprehensive Loss Attributable to Equity Holders of the Parent	(64,700)	(16,000)	304.4%
Total Comprehensive Loss Attributable to Non-Controlling Interests	232	(4)	N.M.
Total Comprehensive Loss for the Year	(64,468)	(16,004)	N.M.

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

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

	Group		
	FY2015 RM'000	FY2014 RM'000	Change %
Depreciation of property, plant and equipment	(4,749)	(1,592)	198.3%
Interest income	72	29	148.3%
Interest expense	(2,565)	(785)	226.8%
Allowance for impairment on inventories - reversal	736	-	N.M.
Allowance for impairment on inventories	(706)	(713)	-1.0%
Allowance for impairment of trade receivables	(322)	(1,000)	-67.8%
Allowance for impairment of other receivables	(92)	(461)	-80.0%
Foreign exchange adjustment net gain	997	116	759.5%
Loss on disposal of property, plant and equipment	(127)	-	N.M.
Impairment on goodwill	(39,330)	(4,000)	883.3%
Reversal/(Allowance) for impairment in investment in associates	-	64	N.M.
Plant and equipment written off	-	(122)	N.M.
Bad debts written off on other receivables	(278)	-	N.M.
Bad debts written off on trade receivables	(475)	-	N.M.
Allowance for doubtful debts written back	369	-	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 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000	RM'000	RM'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	22,700	16,567	109	-
Goodwill	-	39,330	-	-
Investment in Subsidiaries	-	-	386,050	353,429
Investment in Associates	8,565	13,290	-	3,381
Available-For-Sale Financial Assets	1,523	-	1,523	-
Other Assets, Non-Current	6,282	9,387	-	-
Deferred Tax Assets	1,345	1,065	59	-
Total Non-Current Assets	40,415	79,639	387,741	356,810
<u>Current Assets</u>				
Development Properties	108,235	50,068	-	-
Inventories	36,729	30,299	-	-
Trade and Other Receivables	73,565	78,915	23,323	6,971
Other Assets, Current	5,291	3,964	127	24
Tax Recoverable	17	-	-	-
Cash and Cash Equivalents	22,484	27,696	3,602	7,710
Total Current Assets	246,321	190,942	27,052	14,705
Total Assets	286,736	270,581	414,793	371,515
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share Capital	133,052	133,052	369,551	369,551
(Accumulated Losses) Retained Earnings	(66,881)	5,522	(38,750)	(17,403)
Foreign Currency Translation Reserve	9,568	1,865	61,832	9,631
Share Option Reserve	1,631	-	1,631	-
Merger Reserves	3,178	3,178	-	-
Equity, Attributable to Equity Holders of Parent, Total	80,548	143,617	394,264	361,779
Non-Controlling Interests	366	134	-	-
Total Equity	80,914	143,751	394,264	361,779
<u>Non-Current Liabilities</u>				
Deferred Tax Liabilities	1,253	1,392	-	-
Other Financial Liabilities, Non-Current	15,684	13,654	-	-
Total Non-Current Liabilities	16,937	15,046	-	-
<u>Current Liabilities</u>				
Income Tax Payable	15,256	15,707	5	86
Trade and Other Payables	60,822	55,541	20,524	9,650
Other Liabilities	4,528	1,546	-	-
Progress Billings Received and Receivables	77,023	22,534	-	-
Other Financial Liabilities, Current	31,256	16,456	-	-
Total Current Liabilities	188,885	111,784	20,529	9,736
Total Liabilities	205,822	126,830	20,529	9,736
Total Equity and Liabilities	286,736	270,581	414,793	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 31 Dec 2015	As at 31 Dec 2014
	RM'000	RM'000
- secured	31,256	16,456
- unsecured	-	-
	31,256	16,456
Amount repayable after one year		
- secured	15,684	13,654
- unsecured	-	-
	15,684	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:

- (i) Pledge of certain subsidiaries' fixed deposits with licensed banks; and/or
- (ii) Joint and several guarantees of certain directors of the Company.

The term loans are covered by:

- (i) Upfront fixed deposit of RM2.3 million and interest to be capitalised;
- (ii) Joint and several guarantee by certain directors of the Company;
- (iii) Joint and several guarantee by ex-director of one of the subsidiaries of the Company;
- (iv) Corporate guarantees provided by certain subsidiaries of the Company;
- (v) First party charge and first/second legal charges on some of the subsidiaries projects land and building and leasehold property;
- (vi) Legal assignment of life policy to be executed by the subsidiary in respect of certain directors; and/or
- (vii) 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	FY2015	FY2014
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Loss Before Tax	(72,257)	(12,904)
Adjustments for:		
Depreciation of Property, Plant and Equipment	4,749	1,592
Interest Expense	2,565	785
Interest Income	(72)	(29)
Loss on Disposal of Plant and Equipment	127	-
Impairment of Goodwill	39,330	4,000
Waiver of Quasi-Equity Loan to Associates	3,634	-
Share Option Expense	1,631	-
Plant and Equipment Written Off	-	122
Goodwill Written Off	-	2
RTO Expenses - Arranger Shares	-	24,762
Share of (Profit) Loss of Associates	1,400	(8,876)
Operating Cash Flows before Changes in Working Capital	(18,893)	9,454
Development Properties	(58,167)	(30,569)
Inventories	(4,265)	4,670
Trade and Other Receivables	10,066	3,431
Other Assets, Current	(1,238)	(2,391)
Trade and Other Payables	3,260	(3,328)
Progress Billings Received and Receivables	54,489	9,664
Other Liabilities	2,981	(4,953)
Net Cash Flows Used In Operations Before Tax	(11,767)	(14,022)
Income Tax (Paid) Refund	(659)	292
Net Cash Flows Used In Operating Activities	(12,426)	(13,730)
<u>Cash Flows From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(3,192)	(1,362)
Proceeds from Sale of Property, Plant and Equipment	1,860	-
Available-For-Sale Financial Assets	(1,523)	-
Other Assets, Non-Current	3,105	(2,368)
Additional NCI on Increase in Share of A Subsidiary Company	-	99
Acquisition of subsidiary, Net of Cash Acquired	-	26,275
Interest Received	72	29
Net Cash Flows From Investing Activities	322	22,673
<u>Cash Flows From Financing Activities</u>		
Other Payables/Receivable - Amount Owing to/from Directors	716	2,034
Other Payables/Receivable - Related parties	8	(7,280)
Proceeds from Borrowings	21,610	18,999
Repayment of Borrowings	(16,799)	-
Cash Restricted in Use	(1,976)	(9)
Interest Paid	(2,565)	(785)
Net Cash Flows From Financing Activities	994	12,959
Net (Decrease)/Increase in Cash and Cash Equivalents	(11,110)	21,902
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	22,921	(669)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,552	1,688
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	13,363	22,921
Cash and cash equivalents comprised of :		
Cash and bank balances	22,484	27,696
Bank overdraft	(6,851)	(4,481)
Cash restricted in use	(2,270)	(294)
	13,363	22,921

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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 Statutory Reserves and Foreign Currency Translation Reserves are not available for distribution as cash dividends.

Statements of Changes in Equity	Total Equity	Attributable to parent	Share	(Accumulated losses)	Foreign exchange	Merger	Share option	Non-controlling
		sub- total	capital	Retained earnings	reserve	reserves	reserves	interests
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year:								
Opening balance at 1 January 2015	143,751	143,617	133,052	5,522	1,865	3,178	-	134
Total comprehensive (loss) income for the year	(64,468)	(64,700)	-	(72,403)	7,703	-	-	232
Share options granted	1,631	1,631	-	-	-	-	1,631	-
Closing balance at 31 December 2015	80,914	80,548	133,052	(66,881)	9,568	3,178	1,631	366
Previous year:								
Opening balance at 1 January 2014	29,529	29,490	25	23,387	-	6,078	-	39
Total comprehensive (loss) income for the year	(16,004)	(16,000)	-	(17,865)	1,865	-	-	(4)
Adjustment arising from merger reserve	(2,900)	(2,900)	-	-	-	(2,900)	-	-
Additional NCI on increase in share of a subsidiary company	99	-	-	-	-	-	-	99
Increase in share capital arising from reverse acquisition								
- Consideration shares	108,920	108,920	108,920	-	-	-	-	-
- Arranger shares	24,762	24,762	24,762	-	-	-	-	-
Share issuance cost	(655)	(655)	(655)	-	-	-	-	-
Closing balance at 31 December 2014	143,751	143,617	133,052	5,522	1,865	3,178	-	134

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Note : The Statutory Reserves and Foreign Currency Translation Reserves are not available for distribution as cash dividends.

	Total Equity	Share capital	Foreign exchange reserve	Share option reserves	Accumulated losses
Company	RM'000	RM'000	RM'000	RM'000	RM'000
Current year:					
Opening balance at 1 January 2015	361,779	369,551	9,631	-	(17,403)
Total comprehensive loss for the year	30,854	-	52,201	-	(21,347)
Share options granted	1,631	-	-	1,631	-
Closing balance at 31 December 2015	394,264	369,551	61,832	1,631	(38,750)
Previous year:					
Opening balance at 1 October 2013	81,647	69,524	-	-	12,123
Total comprehensive loss for the year	(11,989)	-	9,631	-	(21,620)
Increase in share capital arising from reverse acquisition					
- Consideration shares	275,920	275,920	-	-	-
- Arranger shares	24,762	24,762	-	-	-
Share issuance cost	(655)	(655)	-	-	-
Dividend	(7,906)	-	-	-	(7,906)
Closing balance at 31 December 2014	361,779	369,551	9,631	-	(17,403)

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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.

Details of the changes in issued capital and paid up capital of the Company from 1 Oct 2013 to 31 Dec 2015 are as follows: -

CHANGES IN ISSUED AND PAID UP CAPITAL	Number of shares	RM'000
Issued and paid up capital		
Balance as at 1 October 2013	175,343,026	69,524
After share consolidation of every three shares into one consolidated share	58,447,392	69,524
Issuance of shares pursuant to RTO	130,000,000	275,920
Issuance of arranger shares	11,666,667	24,762
Share issuance cost	-	(655)
Balance as at 31 December 2014 and 2015	200,114,059	369,551
Total shares excluding treasury shares as at 31 December 2014 and 2015	200,114,059	369,551

The total number of issued shares excluding treasury shares as at 31 December 2015 was 200,114,059 (31 Dec 2014: 200,114,059).

As at 31 December 2015, the Company did not hold any treasury shares (31 Dec 2014: Nil).

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 2015	As at 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.

There are no treasury shares as at the end of the current financial period reported on (2014 : Nil).

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.

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- 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 December 2014, except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and took effect from 1 January 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.

The adoption of the certain revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 January 2015 do not have a material financial effect on the Group and the Company.

- 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	
	2015	2014
Loss attributable to the equity holders of the parent during the financial period (RM'000)	(72,403)	(17,865)
Weighted average number of ordinary shares on issue	200,114,059	151,782,562
Basic loss per share for profit attributable to equity holders of the parent during the financial period (Sens)	(36.18)	(11.77)

- (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 31 Dec 2015	As at 31 Dec 2014	As at 31 Dec 2015	As at 31 Dec 2014
Net asset value (RM'000)	80,548	143,617	394,264	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 (Sens)	40.25	71.77	197.02	180.79

- 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 RM25.4 million or 26.7% from RM95.3 million in FY2014 to RM120.7 million in FY2015.

The increase in revenue was principally due to the inclusion of a full year's revenue from the precision business of RM86.0 million in FY2015 as compared FY2014. In FY2014, revenue from the precision business was only recognised subsequent to the completion of the reverse takeover by the Regal Group on 29 October 2014 and it amounted to RM12.5 million.

The increase in revenue explained above was offset by a decrease in revenue from the property business by RM48.1 million from RM82.8 million in FY2014 to RM34.7 million in FY2015. The decrease was mainly attributed to a decline in the sale of development properties by RM52.0 million from RM67.6 million in FY2014 to RM15.6 million in FY2015. As a result of weaker market demand coupled with fewer projects being completed in FY2015, fewer units were sold as compared to FY2014. Another factor for the decrease was the fall in revenue in the Group's building construction revenue by RM4.4 million from RM9.0 million in FY2014 to RM4.6 million in FY2015 due to the completion of smaller projects in FY2015 compared to FY2014. The decrease was partially offset by an increase of RM8.4 million in revenue from the sales of construction materials and rental of machineries, from RM5.6 million in FY2014 to RM14.0 million in FY2015.

The gross profit margins of the Group for FY2014 and FY2015 were 33.8% and 17.2% respectively. The decrease in gross profit margin was mainly due to the increase in costs of property development in the property business division. In addition, there were fewer projects completed in FY2015, higher proportion of revenue was contributed by the sale of construction materials which yields a lower profit margin, which saw gross profit margins decline from 35.4% in FY2014 to 3.1% in FY2015.

The Group's marketing and distribution costs in FY2014 and FY2015 were contributed solely by the precision business division. The significant increase in marketing and distribution cost from RM1.1 million in FY2014 to RM7.1 million in FY2015 was due to the inclusion of the precision business for a full year in FY2015, compared to the two months subsequent to the completion of the reverse takeover by the Regal Group on 29 October 2014.

The Group's administrative expenses rose by RM19.9 million from RM18.5 million in FY2014 to RM38.4 million in FY2015. Apart from the inclusion of administrative expenses from the precision business for the full year in FY2015 as compared to final two months in FY2014, the increase was due to higher employee benefits expenses and depreciation charges.

Other losses increased from RM6.3 million in FY2014 to RM45.5 million in FY2015, mainly attributable to a *one-off, non-cash goodwill impairment loss of RM39.3 million arising from an impairment assessment performed on the goodwill of the precision business and a waiver of the quasi-equity loan amounting to RM3.6 million to Singapore Synergy Pte Ltd ("SSPL"), an associated company of the precision business that was disposed in 2Q2015.

Other gains increased from RM2.7 million in FY2014 to RM3.5 million in FY2015, mainly due to reversal of impairment on inventories and trade receivables in FY2015. There was no reversal of impairment in FY2014.

The Group's finance costs increased from RM0.8 million in FY2014 to RM2.6 million in FY2015 due to increase in the Group's borrowings.

The share option expenses in FY2015 arose from the share options granted and accepted in June 2015. There was no share option granted in FY2014.

The reverse takeover related expenses in FY2014 comprised legal and professional fees incurred on the acquisition of Regal Group and professional fees of the arranger amounting to RM5.3 million and RM24.8 million (non-cash item), respectively.

The share of result from equity-accounted associates declined from a share of profit of RM8.9 million in FY2014 to a share of loss of RM1.4 million mainly due to weaker demand and fewer sales for the project developed by Tiya Development Sdn Bhd ("Tiya") and impairment a significant receivable amounting RM2.7 million.

Resulting from the above reasons, the Group recorded a net loss after tax of RM72.2 million in FY2015 compared to the net loss after tax of RM17.9 million in FY2014.

*Without the one-off non cash goodwill impairment loss of RM39.3 million, the Group would have recorded a lower net loss after tax of RM 32.9 million.

Statement of Financial Position

Group

Non-current assets of the Group decreased by RM38.8 million from RM79.6 million as at FY2014 to RM40.8 million as at FY2015 mainly due to the following:

1. A decrease in goodwill owing to its full impairment amounting to RM39.3 million. This is following an impairment assessment performed on the goodwill of the precision business that was recognised in 2014 upon the reverse takeover exercise;
2. A decrease in other assets by RM3.1 million due to lower advances to landowners by the property business; and
3. A decrease in investment in associates of the Group by RM4.7 million mainly due to the disposal of SSPL, an associate company of the precision business during the year and a share of loss, instead of profit from Tiya this year.

The decrease was partially offset by the following:

4. An increase in property, plant and equipment by RM6.1 million in FY2015 due to increase in purchases of plant and equipment by the property division; and
5. The recognition of an available-for-sale financial asset relating to the keyman insurance policy taken up by the Company for an executive director during the year amounting to RM1.5 million. There was no such item in FY2014.

The current assets of the Group increased by RM55.4 million from RM190.9 million as at FY2014 to RM246.3 million as at FY2015. The increase was due to an increase in development properties by RM58.1 million, an increase in trade and other receivables by RM0.7 million in FY2015 contributed mainly by the property business and an increase in inventories by RM6.4 million contributed mainly by the precision business.

The increase in current assets was partially offset by the decrease in accrued receivables by RM6.1 million from the property business and a decrease in the cash and cash equivalents of RM5.2 million.

Non-current liabilities increased by RM1.9 million from RM15.0 million as at FY2014 to RM16.9 million as at FY2015. The increase was due mainly due to the increase in bank borrowings by the property business for its property development activities.

Current liabilities of the Group increased by RM77.1 million from RM111.8 million as at FY2014 to RM188.9 million as at FY2015. The increase was mainly due to the following:

1. An increase in trade and other payables of RM5.3 million;
2. An increase in other financial liabilities of RM 14.8 million owing to increased bank borrowings in the property business;
3. An increase in progress billings of RM54.5 million on the Group's projects; and
4. An increase in other liabilities comprising largely refundable deposits from the property business by RM3.0 million in FY2015 compared to FY2014

Company

There was a recognition of an available-for-sale financial asset relating to the keyman insurance policy taken up by the Company for an executive director during the year amounting to RM1.5 million. There was no such item in FY2014.

Investment in associates has decreased from RM3.4 million in FY2014 to Nil balance in FY2015 because SSPL was transferred to Hisaka International Holdings Pte Ltd (formerly known as iEcopolis Pte Ltd) in 1Q2015 due to a restructuring exercise in the precision business arm. The same associate was subsequently disposed in 2Q2015.

The increase in trade and other receivables and trade and other payables was mainly due to increase in inter-companies' balances.

Statement of Cash flows

Net cash and cash equivalents held by the Group decreased from RM22.9 million in FY2014 to RM13.4 million in FY2015. The decrease was largely contributed by a net cash outflow from operating activities amounting to RM12.4 million. The negative cash flow from operating activities in FY2015 is largely due to negative cash flow generated from operation, increase in development properties and inventories.

- 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 performance guidance issued on 15 February 2016.

- 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.](#)

Within the next 12 months, the Group expects outlook for property and precision businesses to remain uncertain.

Property Division

Specifically for the property business in Malaysia, weakening private consumption, depreciating currency as well as the recent introduction of the Goods & Services Tax (GST) in 2015 are expected to dampen demand while raising the cost of business.

In view of the challenges, the Group will seek cautious growth in a sustainable and competitive manner. Besides striving to lower our cost of production where possible, the Group has adopted a differentiated pricing model for our range of properties and created different sub-brands to target at a spectrum of buyer affordability and aspirations.

Outside of Kuching, the Group had started making in-roads into Bintulu by taking up the majority stake in a large scale integrated development project there.

Precision Business Division

The market for the Group's precision business had been challenging in 2015 and looks set to remain so going forward. As a supplier of precision components and related services to customers in the semiconductor industry, the Division will continue to be impacted by global industry slowdown.

Overall, the Group will continue to undertake measures to lessen the impact of economic slowdown across our businesses. These include stringent cost control practises, reduction of wastages and improvement in cash flow management and credit monitoring. Our collective experience and expertise in both property and precision business sectors, topped by our solid long-term business relationships with suppliers and customers should put the Group on a stable footing to tide over these short term challenges.

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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?

Name of Dividend	Interim
Dividend Type	Cash
Special Dividend Amount per Share (in SGD cents)	0.75 cent per ordinary share
Tax Rate	1-tier tax-exempt

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No further 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)

Not applicable.

15 Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business Segment

For management purposes the Group is organised into the following major strategic operating segments that offer different products and services: (1) Precision business and (2) Property development. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

1. The precision business segment is the mechanical motion components management and the metallic precision manufacturing and mechatronics integration with capabilities in designing, integration and commissioning of systems; and
2. The property development segment is in the business of developing and sale of residential and commercial properties.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Enlarged Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises one major financial indicators: earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA").

	Precision business	Property development	Total
31-Dec-15	RM'000	RM'000	RM'000
Revenue			
External revenue	85,968	34,748	120,716
Recurring EBITDA	(6,116)	(18,097)	(24,213)
Depreciation	(1,618)	(3,131)	(4,749)
Finance costs	(283)	(2,282)	(2,565)
Impairment of goodwill	(39,330)	-	(39,330)
Share of profit from equity-accounted associates	65	(1,465)	(1,400)
Loss before tax from continuing operations			(72,257)
Income tax credit			86
Loss for the year			(72,171)

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	Precision business	Property development	Unallocated	Total
31-Dec-14	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	12,539	82,758	-	95,297
Recurring EBITDA	(330)	15,994		15,664
Depreciation	(132)	(1,460)		(1,592)
Finance costs	(19)	(766)		(785)
Impairment loss on goodwill	(4,000)	-		(4,000)
RTO related expenses	-	-	(30,061)	(30,061)
Unallocated expenses	-	-	(1,006)	(1,006)
Share of profit from equity-accounted associates	(17)	8,893		8,876
Loss before tax from continuing operations				(12,904)
Income tax expense				(4,965)
Loss for the year				(17,869)

(b) Geographical Segment

	Singapore	Malaysia	People's Republic of China	Others	Total
31-Dec-15	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	15,970	41,372	57,756	5,618	120,716
Other geographical information:					
Addition of capital expenditure	1,411	9,057	169	-	10,637
Depreciation	1,578	3,131	40	-	4,749
Impairment losses	39,353	1,097	-	-	40,450

	Singapore	Malaysia	People's Republic of China	Others	Total
31-Dec-14	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue	2,488	83,388	8,769	652	95,297
Other geographical information:					
Addition of capital expenditure	1,580	3,795	-	-	5,375
Depreciation	128	1,460	4	-	1,592
Impairment losses	4,729	1,461	(16)	-	6,174

The Group operates in four geographical regions namely Singapore, Malaysia, People's Republic of China and Others.

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The contribution by the precision segment relates mainly to Singapore and the People's Republic of China. Majority of the revenue reported for Malaysia in FY2015 was contributed by the property segment.

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18 A breakdown of sales.

BREAKDOWN OF SALES	FY2015 RM'000	FY2014 RM'000	% Increase / (Decrease)
(a) Sales reported for first half year	67,050	30,054	123.1%
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(4,563)	(3,349)	36.2%
(c) Sales reported for second half year	53,666	65,243	-17.7%
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(67,608)	(14,520)	365.6%

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

TOTAL ANNUAL DIVIDEND	FY2015 RM'000	FY2014 RM'000
Final paid in respect of the previous financial year	-	4,509
Interim paid in respect of the current financial year	-	3,397
Total	-	7,906

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Serena Su Chung Wen	41	Sister of substantial shareholder and CEO, Su Chung Jye.	Director of Operations and Human Resources of the Regal Group. Position held since Oct 2013. She is in charge of the operations and HR matters of the Property division.	Nil

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

Wong Pak Kiong
Executive Director

29 February 2016