



ENTRY INTO SUB-DEVELOPMENT AGREEMENT

The Board of Directors of Regal International Group Ltd. ("**Company**", and together with its subsidiaries, "**Group**") refers to the circular issued by the Company dated 24 September 2014 relating to, amongst others, the proposed acquisition of the entire issued share capital of Regal International Holdings Pte. Ltd. ("**Circular**"). Capitalised terms not defined herein shall have the same meanings as ascribed to them in the Circular.

In Section B6.7 of the Circular titled "Joint Development Process", the background description and rationale for the usage of Development Rights Arrangements had been set out. In addition, it was stated in Section B6.7 of the Circular that moving forward, the Company will make an announcement of every Development Rights Agreement that is entered into and such announcement will contain the salient terms of the respective Development Rights Agreement.

The Company wishes to announce that Kenyalang Avenue Sdn. Bhd. ("**Kenyalang**"), a subsidiary of the Company, has entered into a Sub-development Agreement ("**SDA**") on 27 April 2018 with Tiara Realty Sdn. Bhd. ("**Developer**") to develop, build and sell the properties on Lot 322 Bukar-Sadong Land District and Lot 522, 523, 524, 525, 542, 916 and 918 all of Block 1 Bukar-Sadong Land District ("**Lands**").

The SDA is a conditional agreement wholly contingent on the Developer to secure all the necessary approvals from the regulatory authorities by the Developer. In connection with the SDA, an irrevocable deed of substitution of the power of attorney has been granted by the Developer of the Land to empower Kenyalang to exercise such rights of land owners as are necessary for the development of the Lands, including the right to make all necessary applications to the relevant authorities for the various approvals required to develop the Land. The considerations to the Developer and land owners under the SDA are in form of a combination of payment of cash and provision of sub-divided units upon completion of the project.

The SDA is not expected to have a material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2018.

None of the Directors and/or controlling shareholders or persons connected to the Directors or substantial shareholders of the Company has any interest, whether direct or indirect, in the SDA, save for their respective shareholdings in the Company.

The Company will make further announcements of material updates in relation to the SDA, as and when necessary and/or appropriate.

By Order of the Board

Su Chung Jye
Executive Chairman and Chief Executive Officer
27 April 2018