



ENTRY INTO HEADS OF AGREEMENT

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

The Board of Directors of Regal International Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Million Sunray Sdn Bhd (a 55%-owned subsidiary of the Company) ("**Million Sunray**") has on 12 September 2016 entered into a non-binding Heads of Agreement ("**HOA**") with the China - Malaysia Qinzhou Industrial Park Administrative Committee ("**CMQIPAC**"). CMQIPAC is the governing body of the planned China-Malaysia Qinzhou Industrial Park located in Qinzhou, China ("**CMQIP**").

Under the HOA, the parties intend to assess opportunities for cooperation with a view to develop various property projects in CMQIP, including a halal certification and inspection center, a halal research and development center, a halal food processing production line, a logistics and warehouse area and an exhibition center in the CMQIP. The terms of the HOA provide that, amongst others, CMQIPAC will give to Million Sunray a non-retractable period of twelve (12) months and grant to Million Sunray the sole and exclusive right to source and develop the related CMQIP projects mentioned above.

As at the date of this announcement, the HOA is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2016.

None of the directors or controlling shareholders (other than in their respective capacities as a director and/or shareholder of the Company) has any interest, direct or indirect, in the HOA.

The Company will provide updates as and when there are material developments in relation to the HOA.

As the HOA may or may not lead to the entry into any formalized agreements, shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Su Chung Jye
Executive Chairman and Chief Executive Officer
13 September 2016