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## ENTRY INTO MEMORANDUM OF UNDERSTANDING

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*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).*

### Entry into Memorandum of Understanding

The Board of Directors of Regal International Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 28 July 2016 entered into a non-binding memorandum of understanding ("**MOU**") with (i) The Destination Lab LLP ("**TDL**"); (ii) Ong & Ong Pte Ltd ("**ONG&ONG**"); and (iii) Kingsmen Exhibits Pte Ltd ("**Kingsmen**"). TDL is a hospitality consultancy firm, ONG&ONG is an architecture and interior design consultancy firm, and Kingsmen is a communication design and production house.

Under the MOU, the parties will look to assess the commercial potential of two subject properties near Kuching, Sarawak, Malaysia with a view to own, develop and operate a resort cum master planned vacation community (the "**Potential Transaction**"). TDL, ONG&ONG and Kingsmen will, amongst others, carry out site assessment and analysis as well as master planning for the Potential Transaction. The Company will take the role of overall leadership on the Potential Transaction.

As at the date of this announcement, the MOU 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 MOU.

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

As the MOU 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  
28 July 2016