



NOTIFICATION OF INCLUSION ON THE WATCH-LIST DUE TO THE MINIMUM TRADING PRICE ENTRY CRITERION WITH EFFECT FROM 5 JUNE 2017

The Board of Directors of Regal International Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Singapore Exchange Limited (the “**SGX**”) has notified the Company that, pursuant to Listing Rule 1311(2), it would be placed on the watch-list due to the Minimum Trading Price (“**MTP**”) Entry Criterion with effect from 5 June 2017 specifically because the Company has recorded:

- (i) a volume weighted average price of less than S\$0.20 over the last 6 months; and
- (ii) an average daily market capitalization of less than S\$40 million over the last 6 months.

The Company must take active steps to meet the requirements of Listing Rule 1314(2) within 36 months from 5 June 2017, failing which SGX would delist the Company or suspend trading in the Company’s shares with a view to delist the Company. The Board would like to assure shareholders that the Company is exploring various strategies to comply with Listing Rule 1314(2) within the stipulated period, including reviewing the Company’s capital structure as well as improving the Company’s business activities.

Thus the Board would like to take this opportunity to highlight to its shareholders, that steps to improve the Company’s business activities had already commenced last year. This started with the disposal of the precision engineering business which is a legacy business inherited by the existing management team of the Group. Subsequent to the disposal of its legacy business in December 2016, the Company had recorded a profit before tax of approximately RM3.5 million from its core property development business for the financial year ended 31 December 2016 (“**FY2016**”), as compared to the pre-tax losses of RM71.3 million and RM12.9 million respectively for the financial years ended 31 December 2015 (“**FY2015**”) and 31 December 2014 (“**FY2014**”).

In addition, the Group also reported an overall RM3.2 million total comprehensive income for the first quarter ending 31 March 2017. The Board believes that the escalating financial performance will fortify shareholders’ and potential investors’ confidence in the Company which could eventually allow the Company to exit from the MTP watch-list.

The Company will continue to actively pursue all options to meeting the requirements of Listing Rule 1314(2) within 36 months from 5 June 2017 and will make further announcements to update shareholders pertaining to the above issue, as and when necessary and/or appropriate.

By Order of the Board

Su Chung Jye
Executive Chairman and Chief Executive Officer
4 June 2017