
DEVELOPMENT RIGHTS AGREEMENT FOR JALAN MATANG LAND

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 thereunder).

The Board of Directors of Regal International Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers the circular issued by the Company and dated 24 September 2014 relating to, amongst others, the proposed acquisition of the entire issued share capital of Regal International Holdings Pte. Ltd. (the “**Circular**”). Capitalised terms not defined herein shall have the 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 wholly-owned subsidiary of the Company, has entered into a Development Rights Agreement (the “**Jalang Matang DA**”) on 19 August 2015 with the owners of land situated at 9th Mile, Jalang Matang, Kuching, Sarawak, Malaysia comprising a total area of 8,377 square metres (the “**Jalan Matang Land**”). Under the Jalan Matang DA, the Jalan Matang Land will be developed into shophouses, subject always to securing all the necessary approvals, licences and permits from the relevant government and regulatory authorities by Kenyalang.

In connection with the Jalan Matang DA, an irrevocable power of attorney has been granted by the owners of the Jalan Matang Land to Kenyalang to authorise Kenyalang to exercise such rights of a land owner as are necessary for the development of the Jalan Matang Land, including the right to make all necessary applications to the relevant authorities for the various approvals required to develop the Jalan Matang Land.

Pursuant to the Jalan Matang DA, the owners of the Jalan Matang Land are entitled to thirty per centum (30%) of the shophouses to be developed on the Jalan Matang Land as consideration for the provision of the Jalan Matang Land for development in addition to a cash consideration equivalent to the monetary value of a fraction of a whole unit of a shophouse as provided for in the Jalan Matang DA (collectively, the “**Consideration to Landowners**”).

The Consideration to Landowners will be reflected in the financial accounts of the Group in accordance with the prevailing accounting treatments described in Section B6.7 of the Circular.

By Order of the Board

Su Chung Jye
Executive Chairman and Chief Executive Officer
20 August 2015