
ENTRY INTO DEVELOPMENT AGREEMENT

The Board of Directors (the “**Board**”) of Regal International Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) refers 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. (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 Arena Wiramaju Sdn Bhd (“**AWSB**”), a subsidiary of the Company, has entered into Development Agreement (the “**DA**”) on 14 February 2023 with the landowners of all those six (6) parcels of land situate at Sirenggok, Bau, containing a total approximate area of 28,754 square metres, and described as Lots 506-511 all of Block 12 Senggi-Poak Land District (collectively the “**said Lands**”).

Pursuant to the agreement with the landowners, the said Lands will be developed into residential units of properties, subject to the fulfilment of conditions precedent and AWSB securing all the necessary approvals, licenses and permits from the relevant government and regulatory authorities. Further, an irrevocable power of attorney will be granted by the landowners of the said Lands to AWSB to authorize AWSB to exercise such rights as necessary for the development of the said Lands, including the right to make all necessary applications to the relevant authorities for the various approvals required to develop the said Land. In return for the development rights on the said Lands, the considerations to the respective landowners are in the form of provision of sub-divided units, which will be completed and handed over to the landowners, upon completion of the project, and also the completion of the properties that the AWSB decides to build on the said Lands. There are several exit clauses available as well which will enable the AWSB to opt to abort the DA should any adverse conditions occur or negative elements arise.

The major stages of the proposed development include planning, engineering assessment, seeking authority approval; construction and sale; then lastly the handover of completed units. Project revenue may be expected later when construction has commenced and there are sales of the properties to be constructed. Progressive billing is claimable based on percentage of work done and scope of work as construction works progress.

The DA 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 30 June 2023. The outlay costs upon the execution of the agreements will be minimal.

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

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



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Regal International Group

REGAL INTERNATIONAL GROUP LTD.

Company Registration No.: 200508585R

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By Order of the Board of
Regal International Group Ltd

Su Chung Jye
Executive Chairman and Chief Executive Officer

14 February 2023