



RESTRUCTURING OF FINANCIAL LIABILITIES AND PURCHASE CONSIDERATION DUE TO KOJADI

The Board of Directors of Regal International Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 12 January 2017 and 22 May 2017 in relation to the investment by Koperasi Jayadiri Malaysia Berhad (“**KOJADI**”) in subscribing for cumulative preference shares of 25 million (“**RPS**”) in its wholly-owned subsidiary, Temasek Regal Capital Sdn. Bhd. (“**TRCSB**”), and the announcement dated 10 December 2020 in relation to the restructuring of 11 million redeemable preference shares at purchase consideration of RM11 million (“**T1 Consideration**”) through share sale agreement dated 10 December 2020 (“**SSA T1**”) entered into between its wholly-owned subsidiary, Regal Opulences Sdn. Bhd. (“**ROSB**”) and KOJADI.

The Company wishes to announce that the Company has further on 15 December 2021, through ROSB, acquired another 11 million redeemable preference shares in TRCSB (“**2nd Acquisition of RPS**”) at purchase consideration of RM11 million (“**T2 Consideration**”) from KOJADI pursuant to the terms and conditions to be set out in the Share Sale Agreement entered into between KOJADI and ROSB (“**SSA T2**”). The T2 Consideration will be paid by way of cash or by way of redemption of assigned properties over a period of 2 years, together with the interest chargeable, from the date of the SSA T2. This restructuring exercise enables the Group to extend the settlement period of the existing RPS principal and dividends due and payable to KOJADI (“**Restructuring of RPS**”).

Pursuant to the SSA T1, ROSB and KOJADI also have mutually agreed to restructure the payment of the outstanding T1 Consideration which due and payable in 2021 (“**Restructuring of T1 Consideration for Y1**”) upon the terms and conditions as set out in the Settlement Agreement on 15 December 2021 (“**Settlement Agreement**”) by way of set off/contra against the purchase price of properties of the Group (“**Identified Properties**”) through Sale & Purchase Agreements (“**SPA**”) and a Buy-Back Option is granted in the Settlement Agreement whereby ROSB shall be entitled to procure any third-party purchaser(s) to acquire any of the Identified Properties at the buy-back price or such other higher purchase price within 36 months from the date of SPA. The restructuring of T1 Consideration for Y1 enables the Group to defer its immediate cash obligations of the outstanding Consideration T1 by way of buy-back/redemption of Identified Properties over a period of 3 years.

The SSA T2 and Settlement Agreement are not expected to have a material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2021.

None of the Directors and/or substantial shareholders or persons connected to the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Restructuring of T1 Consideration for Y1 and in the Settlement Agreement, nor in the 2nd Acquisition of RPS and the SSA T2, save for their respective shareholdings in the Company.

By the Order of the Board

Su Chung Jye

Executive Chairman and Chief Executive Officer

15 December 2021