
RESPONSE TO SGX-ST QUERIES ON THE EMPHASIS OF MATTER IN THE INDEPENDENT AUDITORS' REPORT ANNOUNCEMENT

The Board of Directors (the "**Board**") of Regal International Group Ltd. ("**Company**", and together with its subsidiaries, "**Group**") would like to respond to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 24 June 2019 in relation to the Company's announcement dated 21 June 2019 on emphasis of matter in the Independent Auditors' Report in respect of material uncertainty related to going concern on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2018 ("**FY2018**") as follows:

SGX-ST's Queries

- 1) Please provide the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view;
- 2) Please provide the Board's opinion as to whether trading in shares of the Company should be suspended pursuant to Listing Rule 1303(3); and
- 3) Please provide the Board's confirmation as to whether sufficient information has been disclosed to enable trading to continue in an orderly manner.

Company's Responses

- 1) The Board is of the view that the Company will be able to operate as going concern for the following reasons:
 - a) the ability of the Group to generate sufficient cash flows from operations to pay debts as and when they fall due;
 - b) there are completed unsold development properties and properties development in progress, which the Group is able to pledge with financial institutions to obtain additional financing;
 - c) the ability of the Group to enter into contra arrangements with suppliers in exchange for services or goods, or for eventual sale to third parties;
 - d) the ability of the Group to negotiate with tax authorities and lenders of the Group in the obligations restructuring plan; and
 - e) the Director, who is the controlling shareholder, has agreed to provide continued financial support.
- 2) With reference to the above, the Board is of the opinion that the Group will be able to continue as a going concern, and therefore, trading in shares of the Company should not be suspended.
- 3) The Board confirms that all material disclosures have been provided for the trading of the Company's shares to continue in an orderly manner.

By Order of the Board of
Regal International Group Ltd

Su Chung Jye
Executive Chairman and Chief Executive Officer

25 June 2019