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## RESPONSE TO QUERIES ISSUED BY SGX REGCO IN RELATION TO ANNOUNCEMENT OF 4 MAY 2022

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The Board of Directors (the “**Board**”) of Regal International Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 4 May 2022 (“**4 May 2022 Announcement**”) in relation to the monthly updates on special audit.

The Singapore Exchange Regulation (“**SGX RegCo**”) has issued queries on the 4 May 2022 Announcement. The Company sets out below the queries issued by the SGX Regco and the Company’s responses to the queries.

All capitalised terms used herein, which are not defined, shall have the meanings ascribed to them in the NOC, 28 July 2021 Announcement and 4 May 2022 Announcement. Shareholders are advised to refer to the NOC, 28 July 2021 Announcement and 4 May 2022 Announcement, which are available on SGXNet, for further details.

### Query 1:

*The announcement stated that “...over the months of March and April 2022 progressively, albeit not in full, provided Deloitte with scanned documents as requested”. Please provide details of the Company’s inability to provide the necessary documents to the Special Auditor during the period from 28 July 2021 to February 2022, and the Audit Committee’s views on whether it is reasonable for the Company to have failed to provide all requested documents to the Special Auditor despite 9 months having passed since the Special Auditor’s appointment on 28 July 2021. In your explanation, please disclose whether all employees were working from home and therefore unable to support the work of the special auditor. What were the constraints or limitations in assessing the Company’s records for the purpose of enabling the special audit? Were there laws restricting any employee from returning to the office?*

### Response to Query 1:

The laws restricting employees from returning to the office were Malaysia Government Movement Control Order (“**MCO**”), which is a series of travel bans, quarantine and cordon sanitaire measures implemented by the federal government of Malaysia in response to the COVID-19 pandemic in the country, under the Prevention and Control of Infectious Diseases Act 1988. The MCO was extended multiple times and has, at times, switched to different stages and phases over the course of 2020 and 2021. Several phases have been enacted nationwide, but other measures have been localised to individual states and federal territories or smaller areas. The National Recovery Plan (“**NRP**”) was phased out in different stages following the various MCO stages. There were various limitations on workforce capacity depending on the phases and vaccination status of the employees of the company.

As the Malaysian Government had implemented another total lockdown MCO in June 2021, the Group had to prioritise its employees who involve in project progression and cash flow generation to return to the office for its business sustainability and recovery after the total lockdown MCO.

The NRP Phase 1 (which commenced from June 2021) restricted the workforce capacity at 30% only for non-essential work sector which the Group fell under. From mid of October 2021 onwards, where there was allowance for a greater workforce capacity, the Group had made arrangements for employees who were involved in or available to assist with the Special Audit to return to the relevant physical premises and office where documents were stored to continue with the conversion of physical documents to digital copies.



However during this period of October 2021, due to the relaxation of movement controls in Malaysia at large, there was an increase in local infection rates in Malaysia and by the end of October 2021 there was an outbreak of COVID positive cases at the Group's Kuching office resulting in various individuals who were employees and key officers of the Group being infected or subsequently infected over the course of the following months.

The COVID infections at the Kuching office also led to indirect consequences and delays in the months after October 2021 as employees who were close contacts of COVID positive cases were also required to remain away from the office and physical premises of the Group and to remain at home such as to reduce the further spread and infection of other staff members.

Consequently, due to all of the abovementioned there were delays in obtaining and providing the requisite documentation for Special Audit from time to time. The Group had and will continue to collate and work on providing the necessary documents and/or information relevant to the Special Audit as soon as it could.

The Audit Committee is of the view that due to the severity of the COVID-19 pandemic and its wide ranging effects on the Group's industry, the Group had to prioritise available resources, including employees, into ensuring the Group's long term business sustainability, project progression and cash flow generation. The necessity to focus on the continued survivability of the Group and infections of employees, inevitably led to stoppages and non-progress in its endeavours in connection with the Special Audit.

Due to the inability to have a continual group of employees and uninterrupted time period to attend to the Special Audit, there were insufficiencies in the handover of matters, gaps in information and incomplete documentation being provided leading to prolonged periods of delay.

With the knock-on effects of the COVID-10 pandemic on the Group's employees lessening, the Audit Committee is committed to ensuring and overseeing a far more efficient and expeditious provision of documentation and information towards the completion of the Special Audit in the coming months.

**Query 2:**

*Please commit to a timeline for the completion of the Special Audit in consultation with the Special Auditor.*

**Response to Query 2:**

The Group had consulted with the Special Auditor in connection with its previous indication that a tentative completion date could only be provided in due course as, *inter alia*, the Group is still in the midst of providing documentation to the Special Auditor and the Special Auditor would require sufficient time to provide their review and assessment on the information and documents they had received.

The Company tentatively targets to complete the provision of the preliminary requested information/documents to the Special Auditor by mid of June 2022. Given the above and assuming subsequently there are no significant additional information/documents to be furnished to the Special Auditors and there are no delays in the interviews with key personnel, it is envisaged that the Special Audit will be completed by end of third quarter of 2022.

The Company will update shareholders if there are any changes in the abovementioned target dates in connection with the Special Audit.



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*Regal International Group*

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The Company will make further announcements to update shareholders of the Company on any material developments in connection with the Special Audit as and when necessary or appropriate.

The trading in the shares of the Company remain suspended and that the SGX-ST will consider resumption of trading only upon its concerns being fully addressed through the findings of the Special Audit.

By Order of the Board of  
**Regal International Group Ltd.**

Su Chung Jye  
Executive Chairman, Executive Director and Chief Executive Officer

11 May 2022