

Our Ref: REG/LC/JN/NOC2022110001

8 November 2022

Board of Directors
Regal International Group Ltd.
63 Sungei Kadut Loop #02-01
Singapore 729484

Dear Sirs

REGAL INTERNATIONAL GROUP LTD. (THE “COMPANY”)
NOTICE OF COMPLIANCE (THE “NOTICE”)

1. Singapore Exchange Regulation (“**SGX RegCo**”) refers to an earlier notice of compliance issued to the Company on 29 March 2021 (the “**29 March 2021 NOC**”) for, *inter alia*, the appointment of a special auditor and the following update announcements made by the Company on the progress of the special audit: -

- (a) dated 28 July 2021, entitled “Update on the notice of compliance – Appointment of special auditor”;
- (b) dated 4 May 2022, entitled “Monthly updates on special audit”;
- (c) dated 11 May 2022 and 18 May 2022, entitled “Response to SGX Queries”;
- (d) dated 1 June 2022, entitled “Monthly updates on special audit”;
- (e) dated 1 July 2022, entitled “Monthly updates on special audit”;
- (f) dated 1 August 2022, entitled “Monthly updates on special audit”;
- (g) dated 10 August 2022, entitled “Response to SGX Queries”;
- (h) dated 1 September 2022, entitled “Monthly updates on special audit”;
- (i) dated 8 September 2022, entitled “Response to SGX Queries”;
- (j) dated 3 October 2022, entitled “Monthly updates on special audit”;
- (k) dated 14 October 2022, entitled “Response to SGX Queries”; and
- (l) dated 2 November 2022, entitled “Monthly updates on special audit”.

2. SGX RegCo notes from the Company's update announcements that it has repeatedly postponed the estimated timelines to furnish the requisite documents to the special auditor as well as the completion of the special audit. The expected deadline for the provision of documents to the special auditor has been postponed from an initial expected date of "end June 2022" in the Company's 11 May 2022 announcement to the current expected date of "end November 2022" in the Company's 2 November 2022 announcement, while the expected completion date of the special audit is delayed from an initial expected date of "end of third quarter 2022" to "end of third quarter of 2023".

3. The Company has, to-date, failed to promptly provide the requisite documents to the special auditor for its review. Consequently, the special audit has been delayed significantly. SGX RegCo notes that the Company has failed to provide its assistance and cooperation with the special audit despite the fact that 19 months have passed since the issuance of the 29 March 2021 NOC. The Company's explanations for the delay to-date are due to the manpower and operational disruptions brought about by the Covid-19 pandemic, as well as the difficulties in locating and converting the relevant documents into digital format.

4. SGX RegCo does not find the reasons provided for the delay reasonable in view of the period of time that has passed. The special audit was directed by SGX RegCo to provide full clarity of the issuer's state of affairs, in particular its transactions with Twin Revenue Sdn Bhd. SGX RegCo expects each member of the Board to render their full cooperation and assistance to the special auditor, in order to ensure its expeditious completion, as part of the fulfilment of the requirements imposed by SGX RegCo on the Company. Failure to extend the necessary cooperation may result in SGX RegCo placing the directors on the Directors' and Executive Officers' Watchlist.

5. In view of the repeated delays in the two timelines committed by the Company in its announcements, SGX RegCo hereby exercises its power under Mainboard Rule 1405(1)(k) and requires the Company and its directors to:

- (a) Furnish the outstanding documents listed in Appendix A of the Company's announcement of 2 November 2022 to the special auditor, no later than 30 November 2022. This directive will be complied with only if the special auditor has agreed that a complete submission has been made for purpose of facilitating its review; and
- (b) Facilitate the completion of the special audit and publish the special audit report prepared by the special auditor on SGXNET, no later than 30 June 2023.

6. Pursuant to Mainboard Rule 1405(4), failure to comply with the requirements imposed by SGX RegCo shall be deemed to be a contravention of the Mainboard Rules. In the event that the either of above directives is not complied with, SGX RegCo may take enforcement actions against the Company and the directors for breaches of the Listing Rules and exercise its power to delist the Company under Mainboard Rule 1305(1).

7. Please note that compliance with this Notice does not constitute a waiver of any kind, and SGX RegCo reserves the right to take disciplinary action against the Company and/or any Relevant Person(s) for breaches of the Listing Rules, including any failure to comply with requirements imposed by SGX RegCo.

Yours faithfully

June Sim
Managing Director
Head, Listing Compliance
SGX RegCo