



MONTHLY UPDATES ON SPECIAL AUDIT

The Board of Directors (the “**Board**”) of Regal International Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- a. the notice of compliance dated 29 March 2021 (the “**NOC**”) issued by Singapore Exchange Regulation (“**SGX RegCo**”) to the Company – The directives under the NOC includes, among others, the appointment of a special auditor to investigate into the Company’s disposal of Upright Strategy Sdn Bhd and transactions involving the Company and Twin Revenue Sdn Bhd (the “**Special Audit**”); and
- b. the announcement made by the Company on 28 July 2021 in relation to the appointment of Deloitte & Touche Financial Advisory Services Pte Ltd (“**Deloitte**”) as special auditor of the Company pursuant to the NOC.

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

On 21 April 2022, SGX RegCo had, via correspondence with the Company, required the Company to provide monthly updates (“**Monthly Updates**”) of the Special Audit to the shareholders in the form of announcements on SGXNET. The Monthly Updates are intended to provide the information necessary for the shareholders to understand the progress of the Special Audit and the impediments towards a timely conclusion of the Special Audit.

The Board wishes to provide the following updates in respect of the Special Audit pursuant to the directive of SGX RegCo:

(1) Work that has been done for the last 9 months since the appointment of Deloitte

The Company announced the appointment of the Special Auditor in end July 2021. In the past 9 months, the Group was concentrating most of the available resources towards the recovery process and continuous sustainability as its operations were overwhelmed by various challenges and constraints arising from the COVID-19 pandemic. Simultaneously, the progress of the Special Audit was affected by the measures and restrictions enforced by Malaysian Government as most of the relevant documentation required were kept in physical form at the Group’s office and warehouse in Kuching (Malaysia). Due to such restrictions, there was substantial operational difficulty and delay in obtaining the requisite documentation.

Although full resumption of economic activities was allowed after the lifting of movement restrictions by the Malaysian Government, the Group’s efforts have continued to be hampered due to various members of the Group’s employees and key officers assisting with the Special Audit being affected directly and indirectly by the COVID-19 pandemic (including but not limited to being infected themselves) over the course of the past few months.

Accordingly, it has taken longer than expected for the physical documents to be retrieved and converted into digital copies for review.

Whilst devoting most of its available resources to ongoing operations in this challenging business climate, the Group has also allocated resources towards fulfilling the Special Audit requirements insofar as possible.



(2) Commentary on the status of the Special Audit

The Group had over the months of March and April 2022 progressively, albeit not in full, provided Deloitte with scanned documents as requested. The Group will continue to work towards providing Deloitte with the remaining outstanding documents and/or their requests for documentation and/or clarification for the purposes of the Special Audit with a view towards the expeditious completion of the Special Audit.

(3) Indicative target completion date of the Special Audit, in consultation with Deloitte

As at the date of this announcement, given that the Company is still working on collating the necessary documents and/or information relevant to the Special Audit, it will only be able to provide a tentative target completion date in due course after due consultation with Deloitte on the same.

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 Monthly Updates seek only to update the shareholders on the progress of the Special Audit, and the findings and recommendations from the Special Audit will be disclosed upon completion of the Special Audit.

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.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board of
Regal International Group Ltd.

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

4 May 2022