



Regulatory Announcement

29 September 2023

SGX RegCo wants Regal International to improve internal controls

Singapore Exchange Regulation (“SGX RegCo”) refers to the Notices of Compliance (“NOCs”) issued to the Company on 29 March 2021 and 8 November 2022 to investigate into certain transactions between the Group and its substantial shareholder, Twin Revenue Sdn Bhd (“Twin Revenue”). This arose after the Group’s statutory auditor issued a disclaimer of opinion for its financial statements for the year ended 31 December 2019. Deloitte & Touche Financial Advisory Services Pte. Ltd (“Deloitte”) was appointed as the independent reviewer. The findings, as announced on 29 September 2023, were reported directly to SGX RegCo and the Company’s Audit Committee.

Deloitte’s Findings

There are no adverse findings noted from Deloitte’s review of the Company’s transactions with Twin Revenue. With respect to the Group’s disposal of its subsidiary, Upright Strategy Sdn Bhd (“Upright Strategy”) to Twin Revenue, Deloitte noted various internal control weaknesses in the Company’s acquisition and disposal procedures, as well as potential contraventions of the Listing Rules and Companies Act 1967.

The potential breaches of the Listing Rules identified in the report include, (a) inaccurate disclosure of the relative figures computed pursuant to Listing Rule 1006, (b) incomplete disclosure of information required under Listing Rule 1010, (c) failure to consult the Exchange on the application of the Listing Rules under Listing Rule 1007(1), and (d) inadequate procedures and internal controls over the Group’s review and approval of significant transactions pursuant to Listing Rule 719.

SGX RegCo will investigate further into the potential listing rule breaches and refer the potential contravention of the Companies Act 1967 to the relevant authorities.

Actions required of Regal International

SGX RegCo notes that the latest announced unaudited and audited financial statements of the Company relate to the financial periods ended 31 March 2021 and 31 December 2019 respectively. The Company will need to submit a resumption proposal that (i) provides clarity in their financial position, including the convening of annual general meetings to approve its outstanding financial statements, and (ii) rectifies the internal control weaknesses highlighted in the report.

-End-

Singapore Exchange Regulation Pte. Ltd.

Company Reg No. 201709600D

(A wholly-owned subsidiary of Singapore Exchange Limited)

11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589
main: +65 6236 8888

About Singapore Exchange Regulation (SGX RegCo)

Singapore Exchange Regulation (SGX RegCo) is the independent Singapore Exchange subsidiary undertaking all frontline regulatory functions including as securities market regulator. Our activities include the admission and supervision of issuers, intermediaries and Catalist sponsors, the surveillance of trading and issuers' disclosures, and the formulation and improvement of policies and products, guided by market feedback. We also have the Whistleblowing Office to look into allegations of issuers' regulatory shortfalls and the Sustainable Development Office to house ESG-related regulatory efforts. Regulation Asia has named us Exchange of the Year four times in recognition of efforts to uphold the integrity and development of our markets. Find out more at <https://www.sgx.com/regulation>.

Media Contact

Carolyn Lim
Marketing & Communications
T: +65 6236 8139
E: Carolyn.lim@sgx.com

Singapore Exchange Regulation Pte. Ltd.

An SGX Group Company

11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589
main: +65 6236 8888
sgx.com