

## **ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS**

The following is an overview of the material laws and regulations that are relevant to the business operations of our Group in Malaysia.

### **(A) LAWS AND REGULATIONS RELATING TO THE RETAIL BUSINESS**

#### **(1) Local Government Act 1976 (“LGA 1976”), Trades Licensing Ordinance (Sabah Cap 144) (“Trades Licensing Ordinance”) and Businesses, Professions and Trades Licensing Ordinance (“BPTLO”)**

We are required to obtain and maintain business and trade licences in respect of our retail outlets. Under the LGA 1976 and the by-laws of the respective local authorities in Peninsular Malaysia, a business licence granted by the local authority is generally valid for a period not exceeding three years and is subject to renewal. Every person to whom a licence has been granted shall exhibit his licence at all times in some prominent place on the licensed premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same. Any person who fails to exhibit or to produce such licence shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

In Sabah, under the Trades Licensing Ordinance, a trading licence shall authorise the holder to carry on the business described in the licence. If any person contravenes the said provisions, he shall be liable for each offence to a fine of four times the amount of the licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues. Every trading licence shall be exhibited in a conspicuous place of the premises and any person who fails to exhibit the licence shall on conviction be liable to a fine of RM500.

In Sarawak, under the BPTLO, any person who carries on any business in Sarawak without a trading licence shall be liable to a fine of RM1,000. The trading licence shall be exhibited in a conspicuous place of the premises, and any person who fails to exhibit the licence shall be liable to a fine of RM200. Further, pursuant to the Local Authorities (Advertisements) By-Laws 2012 (“**LABL 2012**”), no person shall erect or exhibit or cause to be erected or exhibited within the areas under the jurisdiction of any local authority any advertisement, without a licence. Any person who contravenes any of the provisions of the LABL 2012 is subject to a fine not exceeding RM5,000 and imprisonment not exceeding 6 months, and in the case of a continuing offence, a further fine not exceeding RM200 for each day during which the offence continues.

#### **(2) Competition Act 2010 (“Competition Act”)**

Our Group is required in the course of carrying out our business operations to ensure that we comply with the Competition Act and in particular, not to engage in any conduct which prevents the process of competition.

The Competition Act was enacted for the purposes of promoting economic development by promoting and protecting the process of competition, thereby protecting the interests of consumers. The process of competition encourages efficiency, innovation and entrepreneurship, which promotes competitive prices, improvement in the quality of products and services and wider choices for consumers. In order to achieve these benefits, the Competition Act prohibits anti-competitive conduct.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

The prohibited practices stated in the Competition Act are as follows:-

- (a) Pursuant to Section 4(1) of the Competition Act, a horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services; and
- (b) Pursuant to Section 10(1) of the Competition Act, an enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services. An abuse of dominant position may include amongst others:
  - (i) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;
  - (ii) limiting or controlling (1) production (2) market outlets or market access (3) technical or technological development or (4) investment, to the prejudice of consumers;
  - (iii) applying different conditions to equivalent transactions with other trading parties to an extent that may (1) discourage new market entry or expansion or investment by an existing competitor (2) force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position or (3) harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market; or
  - (iv) buying up a scarce supply or intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.

Pursuant to Section 61(a) of the Competition Act, if a body corporate commits an offence under the Competition Act for which no penalty is expressly provided, it shall on conviction be liable to a fine not exceeding RM5,000,000, and for a second or subsequent offence, to a fine not exceeding RM10,000,000.

**(3) Sale of Goods Act 1957 (“SOGA”)**

The SOGA governs the sale of goods in Peninsular Malaysia while Section 5(2) of the Civil Law Act 1956 governs the sale of goods in Sabah and Sarawak.

Such legislation set out the terms and conditions relating to the sale of goods, which includes amongst others the condition and warranty, sale by description, implied conditions as to quality etc.

Accordingly, we use our best efforts to ensure that we comply with such legislation.

**(4) Consumer Protection Act 1999 (“CPA 1999”) and Consumer Protection (Electronic Trade Transactions) Regulations 2012 (“CPR 2012”)**

The CPA 1999 provides for the protection of consumers, the establishment of the national consumer advisory council and the tribunal for consumer claims, and connected matters.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

The CPA 1999 stipulates amongst others the following:

- (a) no person shall engage in conduct that (i) in relation to goods, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, manufacturing process, characteristics, suitability for a purpose, availability or quantity, of the goods; or (ii) in relation to services, is misleading or deceptive, or is likely to mislead or deceive, the public as to the nature, characteristics, suitability for a purpose, availability or quantity, of the services;
- (b) no person shall advertise for supply at a specified price goods or services which that person (i) does not intend to offer for supply; or (ii) does not have reasonable grounds for believing can be supplied, at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement; and
- (c) no person shall supply, or offer to or advertise for supply, any goods or services which do not comply with the safety standards. Further, under the CPA 1999, the goods supplied to a consumer shall be a goods of acceptable quality, fit for any particular purpose, comply with description, and so on.

Any body corporate who commits an offence shall be liable to a fine not exceeding RM100,000, and for a second or subsequent offence, to a fine not exceeding RM200,000. In the case of a continuing offence, the offender shall, in addition to the penalties mentioned above, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

Our Group is required in the course of carrying out our business operations to ensure that we comply with the CPA 1999 and in particular, to ensure that the goods and services made available by us are not made available on the basis of any false or misleading representations to our customers.

Further, pursuant to the CPR 2012, any person who operates a business for the purpose of supply of goods or services through a website or in an online marketplace shall disclose on its website the following details:

- (a) the name of the company who operates the online business;
- (b) registration number of the business or company, if applicable;
- (c) the email address and telephone number, or address of the person who operates the online business;
- (d) a description of the main characteristics of the goods and services;
- (e) the full price of the goods or services (including transportation costs, taxes and any other costs);
- (f) the method of payment;
- (g) the terms and conditions; and
- (h) the estimated time of delivery of the goods or services to the buyer.

Our Group is required to ensure that we comply with the CPR 2012 in the course of carrying out our online business operations.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)****(5) Trade Descriptions Act 2011 (“TDA 2011”)**

The TDA 2011 was enacted for the purpose of promoting good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services and to provide for connected and incidental matters.

Pursuant to Section 5 of the TDA 2011, any person who:-

- (a) applies a false trade description to any goods;
- (b) supplies or offers to supply any goods to which a false trade description is applied; or
- (c) exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied,

commits an offence and shall, on conviction, be liable, if such person is a body corporate, to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000.

Our Group is required in the course of carrying out our business operations to ensure that we practice good trade practices and to ensure in particular that trade descriptions of the goods and services supplied by us are not misleading to our customers.

**(6) Personal Data Protection Act 2010 (“PDPA 2010”)**

The PDPA 2010 regulates the processing of personal data in commercial transactions and provides for connected and incidental matters. The PDPA 2010 applies to (a) any person who processes and (b) any person who has control over or authorizes the processing of any personal data in respect of commercial transactions (“**Data User**”).

The processing of personal data by a Data User must be in compliance with various personal data protection principles, namely (a) the General Principle; (b) the Notice and Choice Principle; (c) the Disclosure Principle; (d) the Security Principle; (e) the Retention Principle; (f) the Data Integrity Principle; and (g) the Access Principle (collectively, “**the Personal Data Protection Principles**”). A Data User who contravenes the Personal Data Protection Principles commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 2 years or to both.

Our Group has adopted the data protection policies which is in line with the PDPA 2010.

**(B) LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY****(1) Electricity Supply Act 1990 (“EA 1990”) and Electricity Regulations 1994 (“ER 1994”)**

Pursuant to the Guideline for Approval of Electrical Equipment issued under the EA 1990 (“**Guideline for Approval of Electrical Equipment**”), certain regulated electrical equipment is required to be tested and certified, including plugs, socket outlets, portable luminaire lamps, kettles including heating elements if supplied separately, kitchen machines, toasters/ovens, rice cookers, refrigerators, water heaters including heating elements if supplied separately, washing machines, fans, hand operated hair dryers/hair care/skin care devices, irons, shavers, vacuum cleaners, hi-fidelity sets, video and visual display units, audio and video player units, massagers, air conditioners, adapters/chargers and wires/cables/cords (“**Regulated Electrical Equipment**”).

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

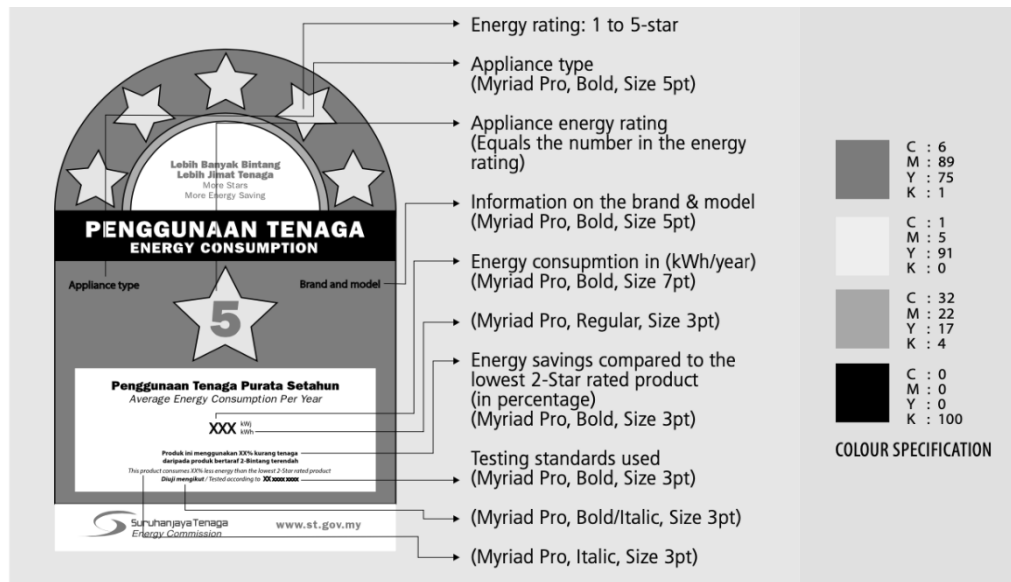
Under Regulation 97 of the ER 1994, no person shall manufacture, import, display, sell or advertise (a) any domestic equipment (b) any low voltage equipment which is usually sold directly to the general public or (c) any low voltage equipment which does not require special skills in its operation, unless the equipment is approved by Energy Commission Malaysia (“EC”). For the purpose of certifying any equipment under Regulation 97, a local conformity assessment body shall be accredited by the EC to carry out the certification, such as SIRIM QAS International Sdn Bhd. In the event the equipment is approved by the EC, a certificate of approval will be issued and the EC may require the equipment to be marked or labelled in the manner determine by the EC. Examples of such labels are as follows:



SIRIM  
CERTIFIED TO YY : XXXX  
CERTIFICATION NO: xxxxxxxx

(Source: Guideline for Approval of Electrical Equipment, sixth edition (2018), published by the EC)

In addition, pursuant to the Guideline for Approval of Electrical Equipment, there are several types of equipment - i.e. the refrigerators, air-conditioners, televisions, washing machines that are required to meet the minimum energy performance standards and efficiency ratings. Upon complying with all the requirements, the equipment shall be affixed with an efficiency rating label in the form and manner determine by the EC. An example of an efficiency rating label is as follows:



(Source: Guideline for Approval of Electrical Equipment, sixth edition (2018), published by the EC)

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Pursuant to Section 122 of the ER 1994, a person who contravenes or fails to comply with any of the provisions of ER 1994 shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one year or both.

Accordingly, we use our best efforts to ensure that the Regulated Electrical Equipment that we obtain from our suppliers comply with the abovementioned regulations and guidelines.

(2) **Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 (“CPR 2013”), the Consumer Protection (Certificate of Conformance and Conformity Mark of Safety Standards) Regulations 2010 (“CPR 2010”) and Guideline on Secondary Battery Safety Standard Compliance 2018 (“Guidelines on Secondary Battery”)**

The CPR 2013 and CPR 2010 were issued pursuant to the Consumer Protection Act 1999 where non-rechargeable batteries (“**Primary Batteries**”) shall adhere to the prescribed safety standards. Local manufacturers or importers or suppliers (including retailers) shall ensure that Primary Batteries have been tested by an accredited laboratory and are compliant with the applicable safety standards and shall affix onto the Primary Batteries the conformity mark in accordance with the abovementioned regulations. Examples of the labels are as follows:



(Source: Second Schedule of the CPR 2010)

Apart from the above, the Ministry of Domestic Trade and Consumer Affairs had issued the Guideline on Secondary Battery where all types of cell and secondary batteries containing alkaline electrolyte or non-acid electrolyte (including the cells in power banks, electronic cigarettes, mobile phones, cameras, laptops, portable lamps, remote control games, hover boards, fly boards, drones and any other goods that require rechargeable batteries (“**Secondary Batteries**”) are recommended to comply with the prescribed safety requirements. Secondary Batteries must be affixed with a safety label sticker for certified Secondary Batteries. Samples of the safety labels are as follows:



(Source: Guidelines on Secondary Battery)

Accordingly, we use our best efforts to ensure that the Primary Batteries and Secondary Batteries that we obtain from our suppliers comply with the abovementioned regulations.

(3) **Gas Supply Act 1993 (“GSA 1993”), Gas Supply Regulations 1997 (“GSR 1997”) and Guide on Issuance of Certificate of Approvals and Labelling of Domestic Gas Cooking Appliances (“Guide on Domestic Gas Cooking Appliances”)**

Pursuant to the Guide on Domestic Gas Cooking Appliances issued pursuant to the GSR 1997, some regulated cooking appliances are required to be tested and certified (“**Regulated Gas Cooking Appliances**”).



**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Under Regulation 117 of the GSR 1997, no gas fitting, gas appliance or gas equipment shall be assembled, manufactured, imported, sold or used unless it has been tested and certified and approved by the EC or its agent or a person accredited by the EC. A certificate of approval will be issued and the EC may require the gas fitting, gas appliance or gas equipment to be marked or labelled in the manner determined by the EC. Examples of the labels are as follows:



(Source: Guide on Domestic Gas Cooking Appliances, published by the EC)

Any person who commits an offence under the GSA 1993 or any regulation made thereunder and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM200,000 and, in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction. Further, pursuant to the GSR 1997, any person who contravenes the regulations promulgated under the GSR 1997 shall be guilty of an offence.

Accordingly, we use our best efforts to ensure that the Regulated Gas Cooking Appliances that we obtain from suppliers comply with the abovementioned regulations and guidelines.

**(4) Communications and Multimedia Act 1998 (“CMA 1998”) and Communications and Multimedia (Technical Standards) Regulations 2000 (“CMR 2000”)**

In exercise of the powers conferred by Sections 16 and 158 of the CMA 1998, the CMR 2000 has been put in force where no person shall use, offer for sale, sell or have in his possession with a view to sell any communications equipment which is not certified by the relevant authorities. The Malaysian Communications and Multimedia Commission or a registered certifying agency may certify the communications equipment and affix certification marks or labels as prescribed under the CMR 2000. Failure to do so may give rise to a penalty under the CMR 2000 of a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 6 months, or to both.

Accordingly, we use our best efforts to ensure that the communications equipment that we obtain from our suppliers comply with the abovementioned regulations and guidelines.

**(C) LAWS AND REGULATIONS RELATING TO FRANCHISES**

**Franchise Act 1998 (“FA 1998”)**

The FA 1998 applies throughout Malaysia to the sale and operation of any franchise in Malaysia. It also provides for the registration of, and regulates, franchises, and other incidental matters.

Pursuant to Section 6 of the FA 1998, a franchisor shall register his franchise with the registrar of franchises before he can operate a franchise business or make an offer to sell the franchise to any person. Any franchisor, being a body corporate, who fails to comply with such section, unless exempted, commits an offence and shall on conviction, be liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000.

The franchisor and franchisee shall enter into a franchise agreement and the requirements of a franchise agreement shall be in accordance with Section 18 of the FA 1998 and the franchise term shall not be less than 5 years.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Pursuant to Section 31 of the FA 1998, no franchisor or franchisee shall terminate a franchise agreement before the expiration date except for good cause as provided in the FA 1998, which includes amongst others the failure of a franchisor or a franchisee to comply with any terms of the franchise agreement or any other relevant agreement entered into between the franchisor and franchisee, or if the franchisor or franchisee becomes bankrupt or insolvent.

Further, pursuant to Section 39(1) of the FA 1998, a body corporate who commits an offence under the FA 1998 for which no penalty is expressly provided shall, on conviction, be liable to a fine of not less than RM10,000 and not more than RM50,000, and for a second or subsequent offence, to a fine of not less than RM20,000 and not more than RM100,000.

Our Group has entered into several franchise agreements with franchisees and we will ensure that we comply with the FA 1998.

**(D) LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY****Trademarks Act 2019 (“TMA 2019”)**

The TMA 2019 provides for the registration of trademarks in relation to goods and services and to implement the relevant treaties and for other connected matters. A trademark means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A sign may constitute a trademark even though it is used in relation to a service ancillary to the trade or business of an undertaking and whether or not the service is provided for monies.

A registered trademark shall be a property right obtained by the registration of trademark under the TMA 2019 and a registered proprietor of the trademark has the rights and remedies provided under the TMA 2019. The registration of a trademark shall be for a period of 10 years and may be renewed for a further period of 10 years in accordance with the TMA 2019.

Our Group holds multiple registered trademarks which have been registered under the Trade Marks Act 1976 (“**TMA 1976**”). Please refer to Annexure B of this Prospectus for a list of our registered trademarks. Notwithstanding that the TMA 1976 has been repealed, any existing marks registered under the TMA 1976 shall be a registered trademark for the purpose of the TMA 2019.

**(E) LAWS AND REGULATIONS RELATING TO LAND****(1) Street, Drainage and Building Act 1974 (“SDBA”) and Uniform Building By-Laws 1984 (“UBBL”) and Building Ordinance 1994 (“Sarawak Building Ordinance”)****SDBA and UBBL**

The SDBA provides uniformity of law and policy to make laws with regard to local government matters relating to street, drainage and buildings in Peninsular Malaysia. It provides for the requirement to have a CFO or CCC to ensure that the building is safe and fit for occupation.

In exercise of the powers conferred by Section 133 of the SDBA, the UBBL has been put into force. Under the UBBL, upon satisfaction of the following requirements, the local authority shall issue a CFO to the qualified person (i.e. the architect, registered building draughtsman or engineer) (“**Qualified Persons**”) or the Qualified Person shall forward a copy of the CCC to the local authority and the Architect’s Board Malaysia (Lembaga Arkitek Malaysia) (as the case may be):



**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

- (a) The Qualified Persons have certified that they have supervised the erection of the building during the course of the work;
  - (b) The building has been constructed in accordance with the UBBL and any conditions imposed by the local authority have been satisfied;
  - (c) The Qualified Persons accept full responsibility for those portions which they are respectively concerned with; and
  - (d) All essential services have been provided
- (collectively, the “**Requirements**”).

Any person who occupies or permits to be occupied any building or any part thereof without a CFO / CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

Further, pursuant to the SDBA, any building shall be erected with prior written permission of the local authority. Any person who makes any alteration to any building otherwise than is provided for under the SDBA or any by-laws made thereunder or without prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM25,000 and a magistrate’s court shall on the application of the local authority, issue a mandatory order to alter the building in any way or to demolish it.

**Sabah**

In Sabah, the requirements for the issuance of the occupation certificate is governed by the respective by-laws issued by the respective local authorities in Sabah such as the Lahad Datu District Council (Building) By-Laws 1982 (“**Respective By-Laws**”).

No person shall occupy or permit to be occupied any building or any part thereof unless an occupation certificate has been issued and any person who contravenes the provisions of the Respective By-Laws shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500.

No person shall re-erect, add to or alter any building already being upon such land except in accordance with such directions and subject to such approval and control. Any person who contravenes the provisions of the Respective By-Laws shall on conviction be liable to a fine not exceeding RM500 and in the case of a continuing offence shall be liable to a fine not exceeding RM10 for every day during which such offence is continued.

**Sarawak Building Ordinance**

An occupation permit will be issued upon the Requirements being fulfilled.

No person shall occupy or permit to be occupied any building or any part thereof unless an occupation permit has been issued and any failure to comply will subject to a fine of not exceeding RM10,000 and in the case of a continuing offence to a further fine of not exceeding RM300 per day during which the offence is continued after notice to cease occupying the building has been issued.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Further, pursuant to the Sarawak Building Ordinance, any person who makes any alteration to any building otherwise than is provided under the Sarawak Land Ordinance or without the prior permission of the local authority shall be liable to a fine of RM1,000 and the court shall on the application of the local authority issue a mandatory order requiring such person to alter the building in any way or to demolish it.

Save for the non-compliances disclosed in Annexure A of this Prospectus, all our owned and tenanted material properties have been issued with a CFO / CCC.

**(2) National Land Code (“NLC”), Land Ordinance (Sabah Cap. 68) (“Sabah Land Ordinance”) and Land Code (Cap. 81 1958 Ed.) (“Sarawak Land Code”)**

The primary land law legislation in Malaysia is the NLC, which applies to land located in Peninsular Malaysia and the Federal Territory of Labuan, and the Sabah Land Ordinance and the Sarawak Land Code, which apply to land located in Sabah and Sarawak respectively.

**NLC**

Under the NLC, there are three categories of land use, being “building”, “industry” and “agriculture”. The category of land use, if any, is endorsed on the documents of title issued by the state authority. Each category of land use is also subject to implied conditions as more particularly described in the NLC and express conditions imposed by the state authority.

Upon any breach arising of any condition to which any alienated land is for the time being subjected to, (i) the land shall become liable to forfeiture to the state authority and (ii) except in a case where a fine is imposed, or where action for the purpose of causing the breach to be remedied is first required to be taken, the land administrator shall proceed with the enforcement of the forfeiture.

**Sabah Land Ordinance**

Sabah State land is classified into “Town Lands” and “Country Lands”. Town Lands and Country Lands may be alienated on a leasehold tenure basis for a term not exceeding 99 years (subject to any special exception that may be made). Once the land has been alienated, it is subject to special conditions set out in the title (if any) to the land and to the implied conditions of title as more particularly described in the Sabah Land Ordinance.

In the absence of an express condition to the contrary in the document of title, there shall be implied in every document of title the condition that in case of a breach or default in the observance of any of the conditions of title, whether expressed or implied by the Sabah Land Ordinance, or any previous Land Ordinance, the Government may re-enter upon the land and resume the whole or any portion of the land.

**Sarawak Land Code**

Land in Sarawak may be alienated in perpetuity or for such term as may be fixed under the rules made under the Sarawak Land Code. The Director of Lands and Surveys in Sarawak may, by notification in the gazette, classify any area of land to be, amongst others, a special development area, town or suburban land, mixed zone land or native area land.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Once alienated, land in Sarawak is subject to any special conditions set out in the title to the land (if any) and in the Sarawak Land Code (if applicable) and, in the absence of any express provision to the contrary in the land title, is further subject to the implied conditions as more particularly described in the Sarawak Land Code.

**(3) Fire Services Act 1988 (“FSA 1988”) and Fire Services (Designated Premises) Order 1998 (“FSO 1998”)**

Pursuant to Sections 28(1) and 28(2) of the FSA 1988, every designated premises shall require a fire certificate and a fire certificate shall be renewable annually.

Further, under the FSO 1998, the Director-General of Fire Services has determined that premises of which the use, size and location are specified in the schedule of the FSO 1998, shall be designated premises for the purpose of issuance of a fire certificate under the FSA. Such designated premises include offices, shops and factories with the following description:

Offices – 30 metres and above in height or 10,000 square metres and over (total floor area)

Shops – 3,000 square metres and over (total floor area)

Factories

- (a) Single storey – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed;
- (b) 2 storeys and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed; and
- (c) Special structures - hazardous processes.

Under the FSA 1988, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or both. The penalty is applicable to the directors and officers of the Group. The owner or occupier of the premises may also be prohibited or restricted to use of such premises.

Save for the non-compliances disclosed in Section 7.19 of this Prospectus, our owned and tenanted material properties in Peninsular Malaysia, Sabah and Sarawak are in compliance with the FSA 1988.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)****(F) LAWS AND REGULATIONS IN RELATION TO EMPLOYMENT AND SOCIAL WELFARE****(1) Employment Act 1955 (“EA 1955”), Labour Ordinance (Sabah Cap. 67) (“LO Sabah”) and Labour Ordinance Sarawak (“LO Sarawak”)**

The EA 1955 governs the laws of employment in Peninsular Malaysia and the Federal Territory of Labuan while the LO Sabah and LO Sarawak govern the laws of employment in Sabah and Sarawak respectively.

Such legislation set out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under such legislation. Under the EA 1955, an ‘employee’ is defined as any person, irrespective of his occupation, who has entered into a contract of service with an employer under which such person’s wages do not exceed RM2,000 a month, whereas under the LO Sabah and LO Sarawak, such person’s wages shall not exceed RM2,500 a month.

Malaysia has also implemented a minimum wage policy that has raised the basic wages of all employees (except for domestic servants) to RM1,200 per month under the Minimum Wages Order 2020.

Our Group will continue to ensure that we comply with such legislation.

**(2) Employees Provident Fund Act 1991 (“EPF Act”)**

The EPF Act which applies throughout Malaysia governs the mandatory scheme of savings for employees’ retirement and the management of savings for retirement purposes and for incidental matters.

The EPF Act applies to our Group. Pursuant to Section 43(1) of the EPF Act, every employee and every employer of a person who is an employee within the meaning of the EPF Act shall be liable to pay monthly contributions on the amount of wages at the rate respectively set out in the third schedule of the EPF Act.

Pursuant to Section 43(2) of the EPF Act, any employer who fails, within such period as may be prescribed by the minister, to pay any contributions for which he is liable under the EPF Act to pay in respect of or on behalf of any employee in respect of any month, shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding RM10,000 or both.

Our Group must ensure that contributions payable under the EPF Act in respect of our employees are paid in a timely manner.

**(3) Employees’ Social Security Act 1969 (“SOCSO Act”)**

The SOCSO Act, which applies throughout Malaysia, provides social security in certain contingencies and makes provision for certain other matters in relation to it and applies throughout Malaysia to all industries having one or more employees.

The SOCSO Act applies to our Group. Pursuant to Section 5(1) of the SOCSO Act, all employees, irrespective of the amount of wages, shall be insured in the manner provided by the SOCSO Act.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

Pursuant to Section 6 of the SOCSO Act, the contribution payable under the SOCSO Act in respect of an employee shall comprise contribution payable by the employer (being the employer's contribution) and contribution payable by the employee (being the employee's contribution) and shall be paid to the social security organisation. The contributions fall into 2 categories, namely:-

- (a) the contributions payable by or on behalf of the employees insured against the contingencies of invalidity and employment injury; and
- (b) the contributions payable by or on behalf of employees insured only against the contingency of employment injury.

The various categories of contributions shall be paid in accordance with the rates specified in the third schedule of the SOCSO Act.

According to Section 94 of the SOCSO Act, if any person amongst others fails to pay any contribution or any part thereof which is payable by him under the SOCSO Act or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the SOCSO Act or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment for a term which may extend to 2 years, or with fine not exceeding RM10,000, or both.

Our Group must ensure that contributions payable under the SOCSO Act are paid to our employees in a timely manner.

**(4) Employment Insurance System Act 2017 ("EIS Act")**

The EIS Act, which applies throughout Malaysia, provides certain benefits and a re-employment placement programme for insured persons in the event of loss of employment and for matters connected therewith.

The EIS Act applies to our Group. Pursuant to Section 14 of the EIS Act, every employer shall register his industry to which the EIS Act applies with the social security organisation within such period and in such manner as prescribed. Any person who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two years or to both.

Pursuant to Section 18 of the EIS Act, contributions payable under the EIS Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee, according to the rates as specified in the second schedule of the EIS Act.

Pursuant to Section 88 of the EIS Act, if an employer which is a body corporate commits an offence under the EIS Act, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the body corporate may be charged severally or jointly in the same proceedings with the body corporate.

Our Group must ensure that contributions payable under the EIS Act are paid to our employees in a timely manner.

**ANNEXURE C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)**

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**(5) Occupational Safety and Health Act 1994 (“OSHA”)**

The OSHA provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA. The OSHA applies to our Group as we are in the retail trade industry.

Employers and every self-employed person must as far as is practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation):-

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of its employees;
- (d) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (e) the provision and maintenance of a working environment for its employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

Failure to comply with any of the above provisions constitutes an offence and the employer is liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.