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**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES**

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The following is an overview of the material laws and regulations that are relevant to the conduct of our Group's business operations. The following does not purport to be an exhaustive description of all laws and regulations of which our business is subject to.

**(a) Housing Development (Control and Licensing) Act 1966 ("HDA") and Housing Development (Control and Licensing) Regulations 1989 ("HDA Regulations")**

The HDA provides for control and licensing of housing development in Peninsular Malaysia, the protection of the interest of purchasers and related matters.

**(i) Housing Developer Licence**

Section 5 of the HDA stipulates that no housing development shall be engaged in, carried on, undertaken or caused to be undertaken except by a housing developer in possession of a licence issued under the HDA. Except with the written consent of the Controller of Housing ("**Controller**"), no housing developer other than a licensed housing developer shall assume or use in relation to his business or any part of his business the words "housing developer" or any of its derivatives or any other word(s) indicating the carrying on of the business of housing development.

Any housing developer who contravenes the above shall be guilty of an offence and shall be liable on conviction to a fine which shall not be less than RM250,000.00 but which shall not exceed RM500,000.00 or to imprisonment for a term not exceeding 5 years or to both.

**(ii) Advertisement and Sale Permit**

Regulation 5 of the HDA Regulations stipulates that no advertisement or sale shall be made by any housing developer without an advertisement and sale permit having first been obtained from the Controller. Any person who contravenes the regulation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM50,000.00 or to a term of imprisonment not exceeding 5 years or to both.

**(iii) Collection of booking fees**

Regulation 11(2) of the HDA Regulations stipulates that no person including parties acting as stakeholders shall collect any payment by whatever name called except as prescribed by the contract of sale, which is the sale and purchase agreement prescribed under the HDA Regulations. Any person who contravenes the regulation shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM50,000.00 or to a term of imprisonment not exceeding 5 years or to both.

Our Group's property development companies had in the past collected booking fees from housing purchasers before signing of the sale and purchase contract. Upon being aware of the requirements of Regulation 11(2) of the HDA Regulations which restricts any persons from collecting any payment (including booking fees) other than pursuant to the housing contract of sale terms, we have ceased to collect booking fees since then. As at the LPD, our Group has not been issued with any penalties from KPKT arising from the said past non-compliance.

As at the LPD, our Group is in compliance with the HDA.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)****(b) Town and Country Planning Act 1976 (“TCPA”)**

The TCPA provides for proper control and regulation of town and country planning in Peninsular Malaysia and regulates, among others, modifications to planning permissions and building plan approvals issued by local authorities.

Under the TCPA, Section 18 prohibits a person to use or be permitted to use any land or building otherwise than in conformity with the local plan. Section 19 of the TCPA states that no person, other than a local authority, shall commence, undertake, or carry out any development unless planning permission in respect of the development has been granted to him under the TCPA. Under Section 26(1)(b), a person who, permits to be carried out, any development in contravention of Section 19 of the TCPA commits an offence and is liable, on conviction, to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence.

As at the LPD, our Group is in compliance with the TCPA.

**(c) Street, Drainage and Building Act 1974 (“SDBA”) and Uniform Building By-Laws 1984 (“UBBL”)**

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

**(i) Erection of a building without the prior written permission of the local authority**

Sections 70(1) and 70(2) of the SDBA stipulate that no person shall erect any building without the prior written permission of the local authority and submission of the required plans to the local authority. By-Law 19 of the UBBL further provides that a temporary permit may be issued by the local authority for the erection of a temporary building. Section 70(13)(c) of the SDBA provides that any person who erects a building in contravention of SDBA or of any by-laws made thereunder (including the UBBL) shall be liable on conviction to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 3 years or to both and shall also be liable to a further fine of RM1,000.00 for every day during which the offence is continued after conviction.

Parkland City and Parkland Avenue had in the past commenced construction works without the prior written permission of the local authority. The aforesaid non-compliances had been rectified as follows:

- (1) Parkland City had settled a fine amounting to RM19,332.20 issued by Majlis Bandaraya Pasir Gudang on 27 July 2023 for commencing construction of employees' accommodation quarters and amenities, as well as putting up hoarding and construction works notice boards for Bandar Layangkasa township without the prior written permission of Majlis Bandaraya Pasir Gudang. Parkland City had rectified the non-compliance by obtaining a temporary building permit on 15 November 2023 at a total cost of RM31,813.22. Upon subsequent renewal, Parkland City holds a valid temporary building permit for the same as at the LPD; and

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

- (2) Parkland Avenue had settled 4 fines amounting to a total of RM39,186.50 issued by MBMB across 24 March 2023, 12 September 2023 and 25 October 2023, for commencing construction of a temporary sales gallery, piling and construction site facilities works, and putting up hoarding, for Parkland Avenue by the Sea without the prior written permission of MBMB. Parkland Avenue had rectified the non-compliances by obtaining temporary building permit for the temporary sales gallery on 4 April 2023 and the temporary building permit for hoarding which was effective in 2023, at a total cost of RM15,794.40. Upon subsequent renewal, Parkland Avenue holds valid temporary building permits for the same as at the LPD. The building plan approval for Parkland Avenue by the Sea was also obtained on 19 September 2023 for construction to commence.

**(ii) Failure to comply with the order, direction or conditions imposed by the local authority**

Section 70(13)(d) of the SDBA 1974 stipulates that any person that fails to comply with any lawful order or written direction of the local authority or with any term or condition attached by the local authority to any modification or waiver of any of the requirements of any by-law, shall be liable on conviction to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000.00 for every day during which the offence is continued after conviction.

Parkland Southern, Parkland Residence and Parkland Central received compounds issued by the local authorities as property developers for their respective projects at Parkland by the River, B11 Parkland Residence @ Cheras South and Parkland Residence @ Kajang 2 for carrying out construction works beyond the approved working hours. A total compound of RM4,000.00 was issued by Majlis Bandaraya Johor Bahru to Parkland Southern and its architect on 19 June 2024, RM7,500.00 was issued by Majlis Perbandaran Kajang to Parkland Residence on 3 March 2022, and a total of RM60,000.00 via 3 compounds across 24 August 2023 and 26 January 2024 were issued by Majlis Perbandaran Kajang to Parkland Central. These compounds were subsequently settled by our Group.

Separately, on 5 September 2022 MBMB issued a letter to TYT Builders on instructing TYT Builders to rectify the drainage system for the shed at PT 2347, Mukim Sungai Udang, Melaka as MBMB had received a complaint regarding excess water flowing into the adjoining land not owned by the Group. There was a delay in rectification as instructed by MBMB due to on-going discussions with the adjoining landowner, resulting in a penalty of RM1,657.00 issued by MBMB to TYT Builders on 21 February 2023 which has been settled subsequently, followed by rectification works at a total cost of RM1,400.00.

**(iii) Occupying any building without a CCC**

Section 70(27)(f) of the SDBA provides that any person who occupies or permits to be occupied any building or any part thereof without a CCC, shall be liable on conviction to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 10 years, or to both.

By-Law 28 of the UBBL provides that no person shall occupy or permit to be occupied any building or any part thereof, unless a certificate of fitness for occupation or a temporary certificate of fitness for occupation has been issued under the UBBL for such building and any failure to comply with the UBBL shall render such person liable to prosecution under the SBDA.

As at the LPD, our Group is in compliance with the SDBA and UBBL.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

Our Group has not experienced any material adverse impact on our business operations or financial performance arising from these past non-compliances as the overall financial impact of the total penalties paid and rectification costs for the above non-compliances amounting to RM180,683.32 are not material to our Group as they represent less than 0.1% of our Group's PBT for the FYE 2025.

**(d) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHA") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSHA Regulations")**

The EMSHA and EMSHA Regulations imposes among others, the minimum standards of accommodations for employees and the requirement for employers to obtain a certificate of accommodation for accommodation premises provided to employees.

Section 24F of the EMSHAA and Regulation 3 of the EMSHAA Regulations stipulate that any accommodation provided for employees shall comply with the minimum standards required under the EMSHAA and the EMSHAA Regulations. An employer under the EMSHAA who contravenes such provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00 and to a further fine not exceeding RM1,000.00 a day for each day during which the offence continues.

Section 24D of the EMSHAA further states that no accommodation shall be provided to an employee unless it is certified with a certificate of accommodation. An employer who fails to obtain the certificate of accommodation is liable to a fine not exceeding RM50,000.00 on conviction.

An employer is required under Section 24E of the EMSHAA to inform the Director General of Labour of such occupation within 30 days from the date an accommodation is occupied by his employee. An employer who fails to give notice of occupation within the stipulated timeline is liable to a fine not exceeding RM10,000.00 on conviction.

TYT Builders had on 27 June 2024 received a compound amounting to RM20,000.00 issued by the Department of Labour Peninsular Malaysia for housing our employee at a commercial rental unit located in Taman Kota Syahbandar, Melaka without certificate of accommodation. The compound was subsequently settled and the non-compliance has since then been rectified by relocating our employees to employees' accommodation with certificate of accommodation.

Further, as part of a regularisation exercise, our Group had identified 9 employee accommodations housing its employees which were not issued with certificates of accommodation, 4 of which located in Melaka, and 5 of which located in Johor. The past non-compliances had since been rectified by obtaining the certificates of accommodations for these premises or relocating the employees to centralised accommodations.

As at the LPD, our Group is in compliance with the EMSHAA. Other than a compound of RM20,000.00, based on our Group's enquiry with the Department of Labour Peninsular Malaysia in the rectification process, we do not foresee any further penalties arising from these past non-compliances which have been rectified. Our Group has not experienced any material adverse impact on our business operations or financial performance arising from the above past non-compliance as the overall financial impact of the compound and rectification costs amounting to a total of RM20,000.00 is not material to our Group as they represent less than 0.1% of our Group's PBT for the FYE 2025.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)****(e) Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")**

The CIDB Act regulates, amongst others, the registration of contractors and construction personnel.

Section 25(1) of the CIDB Act stipulates that no person shall carry out or complete, undertake to carry out or complete any construction work or hold himself out as a contractor, unless he is registered with CIDB and holds a valid certificate of registration issued by CIDB under the CIDB Act. Contravention of Section 25(1) is an offence, and the offender shall, on conviction, be liable to a fine of not less than RM10,000.00 but not more than RM100,000.00.

Section 33A(1) of the CIDB Act stipulates that no construction site supervisor or skilled construction worker shall be involved or engaged, or undertake to be involved or engaged as a construction site supervisor or skilled construction worker unless he is accredited and certified by CIDB under the CIDB Act. Contravention of Section 33A(1) of the CIDB Act is an offence, and the offender shall, on conviction, be liable to a fine of not less than RM10,000.00 but not more than RM100,000.00. Any person who engages a construction site supervisor or skilled construction worker who is not accredited and certified by the CIDB to carry out any construction work shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000.00.

Section 34B(1) of the CIDB Act stipulates that a contractor undertaking any construction works shall, amongst others, ensure the construction works are carried out in accordance with the provisions of the CIDB Act, any regulations, terms and conditions imposed by CIDB and any other written law. If CIDB is of the opinion that a contractor has breached any of his duties under Section 34B(1) of the CIDB Act, CIDB may do either one or all of the following:

- (a) engage a qualified person or a specialist to carry out such investigations and tests as may be necessary and to advise CIDB on all matters relating to the safety of the building in respect of which the construction works are being carried out or have been carried out;
- (b) impose on the contractor, all or any of the directives in the CIDB Act;
- (c) impose a penalty not exceeding RM500,000.00 on the contractor.

Section 33D(1) of the CIDB Act stipulates that a person shall not deal or undertake to deal, whether directly or indirectly, with the construction materials as specified under the CIDB Act unless the construction materials have been certified by the CIDB. Any person who deals or undertakes to deal with such construction materials without the certification of CIDB shall be guilty of an offence and shall, on conviction, be liable to a fine or not less than RM10,000.00 but not more than RM500,000.00.

As at the LPD, our Group is in compliance with the CIDB Act.

Nonetheless, subsequent to the LPD, our Group had been issued with the following compounds by CIDB for the following past non-compliances which had been rectified:

**(i) Hiring or employing construction site supervisors or skilled construction workers who were not CIDB accredited and without valid certification issued by CIDB**

TYT Builders had settled 2 compounds amounting to a total of RM5,000.00 issued by the CIDB under section 33A(1) of the CIDB Act on 8 June 2026 for hiring or employing construction site supervisors or skilled construction workers who were not CIDB accredited and without valid certification issued by CIDB at the Parkland Avenue by the Sea project. Our Group had in the past enrolled these non-compliant workers employed under TYT Builders to the CIDB accreditation programme at a total cost of RM3,200.00. Currently, TYT Builders is in the midst of rectifying the status of the workers' accreditation and estimates to rectify the matter by 3<sup>rd</sup> quarter 2026.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

There had also been a separate incident on 8 June 2026 where CIDB had conducted an inspection at our Bandar Botani Parkland township development and had identified workers employed by our Group's third-party subcontractors who were not CIDB accredited. The potential maximum penalty which may be imposed is a fine of RM5,000.00. As at the LPD, we have not received any notices or compounds from CIDB. Nevertheless, the third party subcontractors had also been reminded by our Group to ensure that such incidences do not recur.

**(ii) Engaging sub-contractors who were not registered with CIDB**

On 15 January 2026, TYT Builders received a show cause notice issued by the CIDB under section 34B(1) of the CIDB Act for engaging a subcontractor which their CIDB licence had expired for our Bandar Botani Parkland township development, resulting in a breach of Code of Ethics for Contractors Construction Industry. A compound of RM8,000.00 was issued by CIDB to TYT Builders on 15 June 2026 which had subsequently been settled. TYT Builders had also rectified the matter by terminating and replacing the unregistered subcontractor with a Grade G7 CIDB registered contractor.

Our Group has not experienced any material adverse impact on our business operations or financial performance arising from these past non-compliances as the overall financial impact of the total penalties paid and rectification costs for the above non-compliances amounting to RM16,200 and the potential maximum penalty of RM5,000.00 are not material to our Group as the total amount of RM21,200.00 represents less than 0.1% of our Group's PBT for the FYE 2025.

**(f) Local Government Act 1976 ("LGA 1976") and the by-laws of the respective local councils and authorities**

It is a legal requirement under the Local Government Act 1976 and the respective by-laws of the relevant local councils and authorities, that a business premise licence and signboard licence be obtained prior to the commencement of operations at our sales galleries, project sites, and any other premises operated by our Group.

No person is permitted to carry out any trade, business, or industry, or to use any premises for such purposes, without first obtaining the requisite licence issued pursuant to the applicable laws and by-laws. Generally, these business premise and signboard licences are valid for a period of 12 months and must be renewed annually. Any contravention of the aforesaid laws and by-laws may, upon conviction, result in the imposition of a monetary fine and/or imprisonment.

By-Law 3 of the Licencing of Trades (Malacca Historic City Council) By-Laws 2010 ("**Malacca Historic City By-Laws**") stipulates that no person shall operate any activity of trade or use any place or premise in the local area of the Malacca Historic City Council ("**MBMB**") without a licence issued by the council. Any person who contravenes such provision commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000.00 or imprisonment for a term not exceeding 1 year or both.

Megaform Builders had since February 2018 occupied the warehouse at PT 2348, Mukim Sungei Udang, Melaka for storage and cleaning of aluminium formworks without a business licence issued by the MBMB. Megaform Builders had rectified the non-compliance at a total cost of RM1,205.00 to obtain a business licence issued on 3 April 2026 which remains valid as at the LPD. As at the LPD, our Group has not been issued with any penalties arising from the past non-compliance.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

As at the LPD, our Group is in compliance with the LGA 1976. Our Group does not foresee any material adverse impact on our business operations or financial performance arising from the above past non-compliance as the overall financial impact of the potential maximum penalty and rectification cost amounting to a total of RM3,205.00 is not material to our Group as it represents less than 0.1% of our Group's PBT for the FYE 2025.

**(g) National Land Code ("NLC")**

As the registered owner or occupier the lands which we own or occupy in the course of our business activities, we are governed by the NLC, which governs land tenure, registration of titles relating to land, transfer of land, leases and charges in respect of land, and easements and other rights and interests in land in respect of the lands in Peninsular of Malaysia and Federal Territory of Labuan.

Section 104 of the NLC stipulates that every condition or restriction in interest shall run with the land to which it relates and shall bind the proprietor thereof for the time being and every person or body having or claiming any interest in the land. Any breach of condition to which any alienated land is being subject may result in the land become liable to forfeiture to the State Authority or a fine of not less than RM500 and in the case of continuing breach, a further fine of not less than RM100.00 for each day during which the breach continues.

Megaform Builders had since February 2018 occupied the warehouse at PT2348, Mukim Sungei Udang, Melaka for storage and cleaning of aluminium formworks. This constitutes a breach of the land's express condition of "industrial use specifically for warehouse purposes". Our Group had submitted an amendment application on 11 March 2026 to the relevant authority to amend the express condition to "for industrial use" to rectify the non-compliance. The estimated time and cost to rectify the matter is by 4<sup>th</sup> quarter of 2026 and at approximately RM1,000.00 which includes processing fees to the relevant authorities.

Save as disclosed above, our Group is in compliance with the NLC as at the LPD. Our Group does not foresee any material adverse impact on our business operations or financial performance arising from the above past non-compliance as the overall financial impact of the potential maximum penalty and rectification cost amounting to a total of RM327,000.00 is not material to our Group as it represents 0.1% of our Group's PBT for the FYE 2025.

**(h) State Level Administrative Policies for Quota Conditions**

Administration of land matters under Malaysian laws all under the jurisdiction of the State Authorities. In the course of our property development activities, we are required to comply with the state administrative policies imposed by the respective State Authorities in relation to quota conditions for affordable housing units and/or Bumiputera units within a proposed development. The quota conditions would range from state to state.

If we are unable to satisfy the quota conditions, we are required obtain the approvals from the State Authorities for the release of the applicable quota conditions in accordance with the administrative policies. For example, we may apply for release of the affordable housing components within the proposed development subject to us satisfying the relevant criteria under the policies. We may also apply for release of Bumiputera units for sale to non-Bumiputera buyers subject to the State Authority's approval as well as prescribed release fees per unit to be paid to the state.

In respect of our serviced apartment development known as Parkland Residence @ Kajang 2 located in Ulu Langat, Selangor, the development which consists of 744 open-market units, 255 affordable units and 17 commercial shophots, is subject to 60.0% Bumiputera quota as per the letter issued by Pejabat Daerah/Tanah Hulu Langat dated 6 October 2020.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

As at 31 March 2026, 356 units (approximately 47.8% of the total 744 open-market units, i.e. Type A and Type B) were sold as Bumiputera units and a balance of 90 units are required to be sold to Bumiputera in order to comply with the requirement. However, only 19 unsold units were left. In order to regularise the Bumiputera units that have been released without prior consent from the authorities, Parkland Central had on 8 April 2026 and 24 April 2026 submitted an application to Lembaga Perumahan dan Hartanah Selangor to release a total of 71 sold units from the Bumiputera quota requirement. As at the LPD, the application is in midst of being processed by the Lembaga Perumahan Hartanah Selangor and the estimate timeframe to obtain the approval is expected to be in 3<sup>rd</sup> quarter of 2026.

Subsequent to the LPD and up to 12 June 2026, 5 additional units were sold, of which 3 being open-market units and 2 being affordable units, have been released without prior consent from the authorities. Our Group has since then assigned designated personnel responsible to monitor compliance of our sales in Parkland Residence @ Kajang 2 with the Bumiputera quota requirement. Upon obtaining approval for release of the 71 sold units, we will proceed to apply to Lembaga Perumahan dan Hartanah Selangor for the same release for the additional 5 units which the estimated timeframe to obtain its approval is expected to be up to 6 months.

Based on the release fees of 10.0% of the selling price and a penalty of 5.0% of the selling price of each unit sold, the potential maximum penalty and rectification cost based on a total of 76 oversold units to non-Bumiputera, is estimated at approximately RM4.4 million. Our Group does not foresee any material adverse impact to our business operations or financial performance as the overall financial impact of the potential maximum penalty is not material to our Group as it represents approximately 1.9% of our Group's PBT for the FYE 2025.

**(i) Strata Titles Act 1985 ("STA")**

We are governed by the STA which facilitates the subdivision of building or land into parcels, the disposition of titles, registration of titles relating to parcels in a building, transfer of parcels in a building and other rights and interests in parcels in a building.

As at the LPD, our Group is in compliance with the STA.

**(j) Strata Management Act 2013 ("SMA")**

The SMA regulates, amongst others, maintenance and management of buildings and common property by developer before establishment of management corporation and other related matters.

Section 6(1) of the SMA stipulates that a developer of any building or land intended for subdivision into parcels in a development area shall not sell any parcel or proposed parcel unless a schedule of parcels showing the proposed share units of each parcel or proposed parcel and the total share units of all the parcels has been filed with the Commissioner of Buildings and in the case of any phased development, the schedule of parcels filed with the Commissioner of Buildings shows the proposed quantum of provisional share units of each provisional block. Any developer who fails to comply with Section 6(1) commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 5 years or to both.

As at the LPD, our Group is in compliance with the SMA.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)****(k) Personal Data Protection Act 2010 ("PDPA") and the Personal Data Protection (Class of Data Users) Order 2013 ("PDPA Order")**

The PDPA regulates the processing of personal data in commercial transactions and related matters.

Section 15 of the PDPA stipulates that a person who belongs to the class of data controllers as specified under the PDPA Order shall submit an application for registration to the Personal Data Protection Commissioner ("**PDP Commissioner**"). A licensed housing developer belongs to the class of data controllers under the PDPA Order and hence is required to obtain a certificate of registration under Section 16(1)(a) of the PDPA 2010 in order to process any personal data. A person who belongs to the class of data controllers as specified in the PDPA Order and who processes personal data without a certificate of registration commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 3 years or to both.

As at the LPD, our Group is in compliance with the PDPA and the PDPA Order.

**(l) Occupational Safety and Health Act 1994 ("OSHA")**

The OSHA regulates the safety, health and welfare of persons at work, protection of others against risks to safety or health in connection with the activities of persons at work and related matters.

Section 15 of the OSHA provides that it is the duty of every employer to ensure that the safety, health and welfare at work of all his employees, so far as is practicable, in particular:

- (i) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (ii) 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;
- (iii) 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 their employees;
- (iv) as regards to 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;
- (v) the provision and maintenance of a working environment for their employees that is, so far as is practicable, safe, without risks to health, and adequate with regards to facilities for their welfare at work;
- (vi) and the development and implementation of procedures for dealing with emergencies that may arise while the employees are at work.

Further to the above, an employer also has a duty to ensure, so far as is practicable, that persons other than its employees are not exposed to any health and safety risk as provided under Section 17 of the OSHA.

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**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

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Non-compliance of Sections 15 and 17 of the OSHA will result in an offence and on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 2 years or to both. Further, where a body corporate contravenes any provisions of the OSHA or any regulations made thereunder, every person, who at the time of the commission of the offence is a director, manager, secretary or other like officer of the body corporate shall be deemed to have contravened the provision and may be charged jointly in the same proceedings with the body corporate or severally, and every such director, manager, secretary or other like officer of the body corporate shall be deemed to be guilty of the offence.

As at the LPD, our Group is in compliance with the OSHA.

**(m) Renewable Energy Act 2011 (“REA”)**

The REA provides for the establishment and implementation of special tariff system to catalyse the generation of renewable energy. The Sustainable Energy Development Authority, Malaysia (“**SEDA**”) is tasked with overseeing matters relating to renewable energy falling within the scope of the REA.

Pursuant to Rule 23 and Schedule 5 of Renewable Energy (Technical and Operational Requirements) Rules, 2011 (“**RETOR Rules**”), a person who carries out the works in connection with photovoltaic installations under the FIT (Feed-in-Tariff) programme should possess the requisite qualifications, such as having a certificate of competency issued by the Energy Commission (“**EC**”) under the Electricity Supply Act, 1990, being registered with the Board of Engineers Malaysia as a professional electrical engineer, having certificate of training on solar photovoltaic systems issued by SEDA and/or certificate in solar photovoltaic system design from any institution that is recognised by SEDA. Any person who commits an offence under the RETOR Rules shall, on conviction, be liable to a fine not exceeding RM300,000.00 or to imprisonment for a term not exceeding 3 years, or both. If a body corporate commits an offence, the person who at the time of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or one purporting to act in any such capacity or was responsible for the management of any of the affairs of the company, may be charged severally or jointly in the same proceedings as the company, and if the company is found guilty, the said person shall be deemed guilty of that offence unless he proves that the offence was committed without his knowledge, consent or connivance and that all reasonable precautions and due diligence were exercised to prevent the offence.

The EC had also issued the Guidelines on Solar Photovoltaic Installation under the Programme of NEM Rakyat and NEM GoME in Peninsular Malaysia under the Electricity Supply Act, 1990 amongst others to regulate matters relating to the implementation and operation of the solar photovoltaic installation under the net energy metering (“**NEM**”) 3.0 programme (“**NEM Guidelines**”). The NEM Guidelines set out, amongst others, the design criteria and requirements, types of installation, capacity limit and application process of solar photovoltaic installations under NEM programmes.

The above REA, RETOR Rules and NEM Guidelines are applicable to our Joint Ventures’ business wherein, Ortus Synergy is certified by SEDA as a photovoltaic service provider to participate in the Feed-in-Tariff programme, the NEM programme or any programme under the REA; as well as Parkland RPVI which is also certified as a photovoltaic service investor under the NEM programme.

As at the LPD, our Group is in compliance with the REA, RETOR Rules and NEM Guidelines.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)****(n) Electricity Supply Act 1990 ("ESA") and Electricity Regulations 1994 ("Electricity Regulations")**

The ESA and Electricity Regulations regulate the electricity supply industry including the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of individuals.

Pursuant to Section 9 of the ESA, subject to exemptions prescribed, no person other than a supply authority shall use, work or operate or permit to be used, worked or operated any installation or supply to any other person electricity from any installation, except under and in accordance with the terms and conditions of a licence granted by EC which expressly authorises the supply or use. Any person who contravenes section 9 of the ESA commits an offence and shall, on conviction, be liable to (i) a fine not exceeding RM50,000 for the offence of using, working or operating any installation or (ii) a fine not exceeding RM100,000 for the offence of supplying to any other person electricity from an installation, and (iii) to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction. Where an offence is committed by a body corporate, any person who at the time of the commission of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or was purporting to act in such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management may be charged severally or jointly in the same proceedings with the body corporate and if the body corporate is found guilty of the offence, shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge, consent or connivance; and that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

Further, Regulation 75 of the Electricity Regulations states that no person shall perform or carry out any electrical work unless he holds a valid Certificate of Registration as an Electrical Contractor issued under the Electricity Regulations. An Electrical Contractor can be classified into 4 classes, Class A, B, C and D, each permitted to undertake electrical work of certain value and is further required to keep in employment a certain number of wireman of certain qualification, depending on the classification of its registration. The Electricity Regulations also provides that the wireman shall possess a valid Certificate of Competency appropriate to such classes, with restrictions, if any, issued to him by EC.

Generally, unless otherwise specified in the Electricity Regulations, a person who contravenes or fails to comply with any of the provisions of the Electricity Regulations shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment for a term not exceeding 1 year or both.

Within our Group, Ortus Synergy is registered under the Electricity Regulations to carry out electrical work business as an Electrical Contractor (Class C) and Parkland RPVI has also obtained public installation licences pursuant to Section 9 of the ESA. As at the LPD, our Group is in compliance with the ESA and Electricity Regulations.

**(o) Environmental Quality Act ("EQA"), Environmental Quality (Scheduled Wastes) Regulation 2005 ("Scheduled Wastes Regulations"), and Selangor Waters Management Authority Enactment 1999 ("LUAS Enactment")**

Due to the nature of our Group's business operations, we are required to comply with the EQA, Scheduled Wastes Regulations and applicable regulations issued under the EQA from time to time. The EQA empowers the Department of Environment to issue regulations, such as the Scheduled Wastes Regulations.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

Pursuant to Section 24 of the EQA, no person, shall, unless licensed, pollute or cause or permit to be polluted any soil or surface of any land in contravention of the acceptable conditions specified under Section 21. Any person who fails to comply with the above commits an offence and shall, on conviction, be liable to a fine of not less than RM50,000.00 and not exceeding RM500,000.00 or to imprisonment for a term not exceeding 5 years or to both, and shall also be liable to a further fine not exceeding RM1,000.00 for every day during which the offence continues after a notice by the Director General of Environmental Quality requiring him to cease the act has been served on him.

Pursuant to Section 25 of the EQA, no person shall, unless licensed, emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters in contravention of the acceptable conditions specified under Section 21. Any person who fails to comply with the above commits an offence and shall, on conviction, be punished with imprisonment for a term not exceeding 5 years and shall also be liable to a fine of not less than RM50,000.00 and not exceeding RM10,000,000.00.

The Scheduled Wastes Regulations regulates the disposal and storage of scheduled wastes. A person who generates scheduled wastes must ensure that the said scheduled wastes are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for such purposes. In the event of non-compliance, an offender shall be liable on conviction to a fine not less than RM5,000.00 and not exceeding RM250,000.00 or imprisonment for a term not exceeding 2 years or both for the contravention of the EQA or any regulation made thereunder for which no penalty is expressly provided.

From time to time depending on our project locations, we may also be subject to state level regulations relating to environmental standards and waste. For example, our Parkland Residence @Kajang 2 located within Selangor is subject to the Selangor Waters Management Authority Enactment 1999 (“**LUAS Enactment**”) which among others regulates protection of the environment in Selangor by requiring environmental impact assessments for development or projects, approvals before using water, and waste discharge into water sources.

Our Group had identified and rectified the following occurrence of past non-compliances in relation to the EQA, Scheduled Wastes Regulations, and LUAS Enactment, as set out below:

**(a) Open burning at construction site**

TYT Builders had settled a fine amounting to RM2,000.00 issued by the DOE on 4 October 2022 for open burning of construction waste at the construction site in contravention of Section 29A of the EQA, which prohibits any form of open burning without written approval.

**(b) Disposing of waste materials and extraction of groundwater at project site**

AVE Engineering (as contractor) had settled 2 fines amounting to a total of RM75,000.00 issued by the Selangor Waters Management Authority (“**LUAS**”) on 2 November 2023 and 13 February 2024 arising from the disposing of waste materials generated from scheduled activities (earthworks) and for extracting and using groundwater at the project site Parkland Residence @ Kajang 2, without obtaining the necessary approval or permit from LUAS. Parkland Central (as the developer) had rectified the non-compliance of disposing waste materials generated from scheduled activities (earthworks) by obtaining approval from LUAS on 25 October 2024 allowing the same at a cost of RM750.00 and had since ceased extracting groundwater.

**ANNEXURE D - REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES (CONT'D)**

Our Group has not experienced any material adverse impact on our business operations or financial performance arising from these past non-compliances as the overall financial impact of the total penalties paid and rectification cost for the above non-compliances amounting to RM77,750.00 are not material to our Group as they represent less than 0.1% of our Group's PBT for the FYE 2025. As at the LPD, our Group has implemented procedures for site safety audit to monitor compliance with EQA, Scheduled Wastes Regulations, and LUAS Enactment.

Further to the regularisation of the non-compliances identified and rectified above, our Group had taken the steps below to enhance our internal control framework for continued monitoring of our compliance status and to prevent recurrence of the non-compliances:

- (a) Our Group's management is following up closely and liaising with relevant authorities to resolve the non-compliances which remains outstanding at the time of our Listing and the status of the non-compliances will be disclosed in our annual report.
- (b) Our Group has also implemented and enhanced our operating manuals which includes enhancements to the standard operating procedures for our operating processes, in particular for project planning and construction operations, to ensure compliance with the relevant laws and regulations.

The operating manuals set out a framework of our workflow, roles and responsibility, checklists and procedures with an objective of ensuring our compliance at various stages, and for instance includes guidelines for project planning, land matters and state policies compliance, worksite condition and cleanliness, health and safety, workers' accommodation standards, worksite monitoring (including verification of contractors', site supervisors' and skilled construction workers' valid CIDB accreditations and certifications, daily reporting, periodic briefings on safety controls and work hours at the site).

- (c) Our Group also has designated personnel responsible to monitor validity and timely renewal of all required licences, permits, approvals and certificates, via compliance checklists which have been implemented and practiced by our Group. The checklist is subject to periodic review, with updates and follow-up actions to ensure continuous regulatory compliance.
- (d) Further, our Group has established an Audit and Risk Management Committee which terms of reference include overseeing our Group's compliance framework to prevent recurrence and future non-compliance incidents by obtaining regular updates from the management to monitor compliance with relevant laws, regulations and code of conduct, as well as to ensure infrastructure, resources and systems are in place and adequate for managing the risk management and internal control framework. We will also remain apprised of any changes in the laws and regulations governing our Group's business operations to ensure continuous compliance, and will seek professional advice and assistance whenever necessary; and
- (e) After listing, our Group plans to appoint an external internal audit reviewer to conduct independent assessment on the adequacy and effectiveness of the Group's internal control systems, reporting directly to the Audit and Risk Management Committee. The Company also intends to engage professionals (where necessary) to provide training to the Directors and employees to enhance their understanding of internal control and compliance matters to improve the Group's policies and processes.

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