

## **ANNEXURE A: GOVERNING LAWS AND REGULATIONS**

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Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The following is an overview of the principal laws and regulations governing our Group which are material to our operations. It does not purport to be an exhaustive description of all relevant laws and regulations which our business is subject to and is intended solely to provide investors with a general overview of the key regulatory requirements relevant to our business and operations. It is not intended to be a substitute for independent professional advice.

### **(A) LAWS AND REGULATIONS RELATING TO OUR BUSINESS**

#### **(i) Private hospitals and ambulatory care centres**

##### **(1) PHFSA 1998 and PHFS Regulations 2006**

The PHFSA 1998 and its relevant regulations, including the PHFS Regulations 2006, are the principal legislations governing the provision of private healthcare facilities and services in Malaysia.

Pursuant to Section 3 of the PHFSA 1998, any person intending to establish or maintain private healthcare facilities or services, such as a private hospital, private psychiatric hospital, private ambulatory care centre, private nursing home, private psychiatric nursing home, private maternity home, private blood bank, private haemodialysis centre, private hospice, private community mental health centre, or any other private healthcare facility or service as may be specified by the MOH from time to time via notification in the Gazette, must first obtain approval from the DGHM. Thereafter, within three years from the date of the issuance of the approval, a licence must be procured for the operation and provision of the private healthcare facility or service, failing which the approval to establish or maintain the private healthcare facility or service shall be deemed revoked, unless an extension of time is granted by the DGHM, as prescribed under Section 14 of the PHFSA 1998. The licence is valid for a period of two years from the date of issuance pursuant to Section 22 of the PHFSA 1998.

Section 6(1)(c) of the PHFSA 1998 further stipulates that the approval to establish or maintain, or a licence to operate or provide the private healthcare facility may only be issued to a body corporate if its board of directors consists of at least one person who is a registered medical practitioner.

Further, pursuant to Section 4 of the PHFSA 1998, no person shall establish, maintain, operate or provide a private medical clinic or private dental clinic unless registered by the DGHM. However, the aforesaid provision shall not apply to a private medical clinic or private dental clinic which forms part of the premises of a licenced private healthcare facility which the said clinic is organisationally, administratively and physically linked.

A body corporate which provides private healthcare facilities or services without approval or licence from the DGHM commits an offence as prescribed under Section 5 of the PHFSA 1998, and is subject to a fine not exceeding RM500,000 and for a continuing offence, to a fine not exceeding RM5,000 for every day or part of a day during which the offence continues after conviction. Relatively, the person responsible for the body corporate shall also be guilty of the offence and shall be liable, on conviction, to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding six years or to both, and for 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.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS** *(Cont'd)*

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The responsibilities of a licensee or a holder of a certificate of registration for a licensed or registered private healthcare facility pursuant to Section 31 of the PHFSA 1998 include the duty to ensure that such licensed or registered private healthcare facility is maintained or operated by a person in charge, conduct inspections as prescribed, ensure that employees are duly registered or possess recognised qualifications, and comply with other prescribed duties and responsibilities. While a person in charge refers to an individual with the prescribed qualifications, training and experience, who is responsible for managing and controlling the licensed facility or service, different individuals may be appointed to manage non-clinical matters, such as financial, administrative, and resource management responsibilities. Where the licensee or the holder of the certificate of registration fails to comply with the aforesaid provisions, it commits an offence and shall be liable, on conviction, to a fine not exceeding RM300,000. Additionally, the person responsible for the licensee or the holder of the certificate of registration shall also be guilty of the offence and shall be liable, on conviction, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding two years or to both.

Pursuant to Section 39(1) of the PHFSA 1998, the licence holder must ensure that the licensed private healthcare facility is used only for the purpose as permitted by its licence or certificate of registration issued, and purposes reasonably incidental thereto. Where the licensee or the holder of the certificate of registration fails to comply with the aforesaid provisions, it commits an offence and shall be liable, on conviction, to a fine not exceeding RM300,000, and in the case of a continuing offence, to a fine not exceeding RM5,000 for every day or part of a day during which the offence continues after conviction. Additionally, the person responsible for the body corporate shall also be guilty of the offence and shall be liable, on conviction, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding two years or to both, 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.

Any contravention of the PHFSA 1998, unless otherwise specified, constitutes an offence under Section 117(1), and a body corporate which commits such offence shall be liable, on conviction, to a fine not exceeding RM30,000, and in the case of a continuing offence, to a fine not exceeding RM2,000 for every day or part of a day during which the offence continues after conviction. The person responsible for the body corporate shall also be guilty of the offence and shall be liable, on conviction, to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding three months or to both, and in the case of a continuing offence, be liable to a fine of RM500 for every day or part of the day during which the offence continues after conviction.

Regulation 43 of the PHFS Regulations 2006 imposes a duty on the licensee or person in charge of a private healthcare facility to have an appropriate patient's medical record system comprising facilities, procedures and organisation for maintaining such patient's medical record and be responsible for safeguarding the information on the patient's medical records against loss, tampering or use by unauthorised persons. Any infringement of this obligation would render the person committing the offence liable, on conviction, to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding three months or to both.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

Regulation 433 of the PHFS Regulations 2006 also provides a fee schedule on the maximum chargeable fees for medical examination, medical procedures and consultation fees in a private healthcare facility. Other services and administrative charges such as bed charges, food and medical supplies are unregulated and vary for each private healthcare facility.

As at the LPD, we have obtained the requisite licences from the DGHM to operate and provide private healthcare facilities and services at Sunway Medical Centre Sunway City Kuala Lumpur, Sunway Medical Centre Velocity, Sunway Medical Centre Penang, Sunway Medical Centre Damansara and Sunway Medical Centre Ipoh, as well as our private ambulatory care centres, namely Sunway Specialist Centre Damansara and Sunway Fertility Centre Kuching. We have complied and will continue to ensure compliance with the PHFSA 1998 and the PHFS Regulations 2006. See Annexure B of this Prospectus for details of the licences issued by the DGHM to our Group pursuant to the provisions of the PHFSA 1998.

**(ii) Medical practitioners****(1) MA 1971**

The MA 1971 sets out, *inter alia*, provisions in respect of registration and practice of medical practitioners.

Pursuant to Section 20(1) of the MA 1971, a registered medical practitioner may practise with a valid annual practising certificate. All issued annual practising certificates shall specify the address of the principal place of practice and all other places of practice in which the registered medical practitioner performs his/her practice, and any change in address must be notified to the Malaysian Medical Council ("**MMC**") within 30 days of such change for endorsement in accordance with Section 20(6) of the MA 1971.

Any registered medical practitioner who practices without a valid annual practising certificate commits an offence under Section 20(7) of the MA 1971 and shall not be entitled to recover any fee, reward, disbursement or cost incurred during the time when he/she has not had an annual practising certificate.

As at the LPD, each of our medical practitioners holds and maintains a valid annual practising certificate issued by the MMC.

**(iii) TCM practitioners****(1) TCMA 2016**

The TCMA 2016 serves as the principal legislation regulating TCM services in Malaysia and matters connected therewith.

Pursuant to Section 22 of the TCMA 2016, individuals intending to practise TCM in a recognised practice area must first apply for provisional registration with the TCM Council. Following the completion of a residency period of not less than one year with any hospital or institution in Malaysia approved by the TCM Council, the individual may apply for full registration as a registered practitioner.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

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Practising in a non-recognised practice area is an offence under Section 21(2) of the TCMA 2016, which upon conviction, shall be liable to a fine not exceeding RM30,000 or to imprisonment for a term not exceeding two years or to both, for a first offence. Subsequent offences may result in a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both. Similarly, unregistered individuals who directly or indirectly provide TCM services commit an offence and shall, upon conviction, be subject to the same penalties.

As at the LPD, each of our TCM practitioners has been validly registered with the TCM Council.

**(iv) Other healthcare personnel****(1) NA 1950**

The NA 1950 governs the registration of nurses throughout Malaysia and mandates that the Nursing Board maintains a register of qualified nurses.

Pursuant to Section 4(3) of the NA 1950, a certificate issued by the chairman of the Nursing Board, specifying a nurse's registration status, serves as conclusive evidence of that fact and of other facts relevant to that fact contained therein.

Pursuant to Section 6(2) of the NA 1950, foreign-trained individuals may qualify for registration as general nurses for the sick or as a nurse of some special class in Malaysia if they demonstrate to the Nursing Board's satisfaction that their training and examination standards meet those required under the NA 1950. Additionally, they are also required to satisfy the Nursing Board as to his or her identity and good character.

Section 10 of the NA 1950 penalises, among others, any person who falsifies and unlawfully assumes the title of a registered nurse or its equivalent in any other language, either alone or in combination with any other words or letters, or uses any name, title, addition, description, uniform or badge implying that he or she is registered under the NA 1950 or is recognised by law as a registered nurse, or uses any title, uniform or badge prescribed for the use of nurses registered under the NA 1950. Such person shall be guilty of an offence under Section 10(1) of the NA 1950 and shall, on conviction by a Magistrate's Court, be liable to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding 12 months or to both.

As at the LPD, each of our nurses has been validly registered in the register of nurses kept by the Nursing Board.

**(2) RPA 1951**

The RPA 1951 governs the registration of pharmacists and matters connected therewith.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS** *(Cont'd)*

Pursuant to Section 7 of the RPA 1951, no person shall take or use the name or title of pharmaceutical chemist or pharmacist or chemist and druggist or druggist or pharmacist, or take or use in connection with the sale of goods by retail the name or title of chemist or any other name, title, addition or description unless he or any person employed by him is registered or entitled to be registered under the RPA 1951, nor take or use or affix to, or use in connection with, his premises any title or description reasonably calculated to suggest that he or anyone employed in the business carried on in his premises possesses any qualification with respect to the selling, dispensing or compounding of drugs or poisons other than the qualifications which he in fact possesses.

Any person who holds himself out by the title of a pharmacist or suggests that he possesses any qualification with respect to the selling, dispensing or compounding of drugs or poisons as a pharmacist, shall be guilty of an offence under Section 7(4) of the RPA 1951, and upon conviction before a Sessions Court, be subject to a penalty not exceeding RM500, and to a further penalty of RM50 for every day during which the offence continues.

Any body corporate that is not registered under Section 13(6) of the RPA 1951, and does not comply with the requirements under Section 13(4) of the RPA 1951, and which uses the name or title of chemist and druggist or dispensing chemist or dispensing druggist or describe the premises at which it carries on business as a pharmacy, commits an offence and shall, on conviction before a Sessions Court, be subject to a penalty not exceeding RM2,000 and to a further penalty not exceeding RM50 for every day during which such offence continues. In addition, every person who was a director or officer of such body corporate or was purporting to act in any such capacity at the date of the commission of the offence shall also be deemed guilty of that offence unless he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of the offence and shall also, on conviction before a Sessions Court, be liable to a penalty not exceeding RM200 and a further penalty not exceeding RM25 for every day during which such offence by him continued.

Failure by any registered pharmacist or body corporate to obtain an annual certificate prior to the commencement of any year shall result in the removal of his or its name from the register pursuant to Section 16(4) of the RPA 1951.

As at the LPD, each of our pharmacists has been validly registered in the register of pharmacists kept by the Director of Pharmaceutical Services.

**(3) MARA 1977**

The MARA 1977 governs the registration of medical assistants and matters connected therewith.

Pursuant to Sections 7(1) and 8 of the MARA 1977, any person employed as a medical assistant in a private hospital, private clinic or other private institution for the care, treatment or rehabilitation of patients, or by a registered medical practitioner, shall be registered. Every person who is entitled to be registered under the MARA 1977 will be issued a certificate of registration and have his or her name being entered in the register.

Pursuant to Sections 13(3) and 13(4) of the MARA 1977, the register of medical assistants, maintained by the Medical Assistants (Registration) Board, serves as prima facie evidence of the details recorded therein. Accordingly, any medical assistant whose name is not listed in the register is deemed unregistered under the MARA 1977.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

Similarly, Section 21(1) of the MARA 1977 penalises any person who, among others, falsifies and unlawfully assumes the title of a registered medical assistant. Such person shall be guilty of an offence under the MARA 1977 and shall, on first conviction, be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding six months or to both, and on a second or subsequent conviction, to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding 12 months or to both. Additionally, any person who wilfully makes or causes to be made any false entry in the register of medical assistants, knowingly furnishes false particulars or information to the Medical Assistants (Registration) Board or contravenes any provision of the MARA 1977 for which no penalty is provided, is guilty of an offence under Section 21(2) of the MARA 1977 and shall, on conviction, be liable to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding 12 months or to both.

As at the LPD, each of our medical assistants has been validly registered in the register of medical assistants kept by the Medical Assistants (Registration) Board.

**(4) AHPA 2016**

The AHPA 2016 provides for the establishment of the MAHP Council and regulates the registration of persons practising as allied health practitioners and those engaged in activities related to allied health, to regulate the practice of allied health professions, and for related matters. Pursuant to the Second Schedule of the AHPA 2016 (as amended by the Allied Health Professions (Amendment Of Second Schedule) Order 2022), allied health professionals include an audiologist, dietitian, entomologist (public health), physiotherapist, medical physicist, nutritionist, clinical psychologist, diagnostic radiographer, medical laboratory scientist, occupational therapist, speech-language therapist, radiation therapist, medical laboratory technologist, dental technologist, environmental health officer and health education officer.

No person shall practise an allied health profession or to carry on any activity relating to allied health, unless he is registered under Section 17 of the AHPA 2016. Where an application for registration is approved, the MAHP Council shall issue a certificate of registration to the applicant and make an entry in the register maintained by the registrar of the MAHP Council.

Any person who is not registered under the AHPA 2016 and practices or carries on or operates or holds himself out as practising or carrying on or operating, or takes up employment, as an allied health practitioner contravenes Section 33(1)(a) of the AHPA 2016 and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or to both.

Pursuant to Section 36 of the AHPA 2016, any body corporate who employs a person who is not registered under the AHPA 2016 to perform the duties and responsibilities of an allied health practitioner commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and for a continuing offence, to a fine not exceeding RM5,000 for every day or part of a day during which the offence continues after conviction. Additionally, the person responsible for the body corporate shall also, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding two years or to both, and for a continuing offence, to a fine not exceeding RM5,000 for every day or part of a day during which the offence continues after conviction.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

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Pursuant to Section 22(1) of the AHPA 2016, a registered practitioner who intends to practise shall apply to the MAHP Council for a practising certificate. All issued practising certificates shall be valid for two years and shall specify the address of the principal place of practice and all other places of practice of the registered practitioner and any change in any address shall be notified by the registered practitioner to the registrar of the MAHP Council within 30 days of such change for endorsement in accordance with Section 22(4) of the AHPA 2016. Any registered practitioner who practises without a practising certificate commits an offence under Section 22(7) of the AHPA 2016 and shall, upon conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or to both.

For information purposes, the MAHP Council has extended the transition period for compliance with the registration and practising certificate requirements to 31 December 2026, from the original 12-month transitional period from the date of enforcement of the statute on 1 July 2020 to 30 June 2021, to provide all practitioners adequate time to complete registration and obtain their practising certificates.

As at the LPD, each of our allied health professionals has been validly registered with the MAHP Council.

**(5) MA 1966**

The MA 1966 governs the registration of midwives and the practice of midwifery in Malaysia.

Pursuant to Section 10(4) of the MA 1966, a certificate under the hand of the Registrar of Midwives stating that a person is or is not registered under the MA 1966, and if registered, in what part of the register of midwives the person is so registered, shall be conclusive evidence of registration.

Pursuant to Section 14(1) of the MA 1966, any person who practises midwifery without being registered with the Malaysia Midwives Board commits an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a period not exceeding one year or to both.

As at the LPD, each of our midwives has been validly registered with the Malaysia Midwives Board.

**(v) Sale of drugs and poisons****(1) SDA 1952**

The SDA 1952 governs the sale of drugs, i.e. any substance, product or article intended to be used or capable, or purported or claimed to be capable, of being used on humans or any animal, whether internally or externally, for a medicinal purpose throughout Malaysia.

Pursuant to Sections 10(1) and 12(1) of the SDA 1952, any person who sells:

- (a) any adulterated drug without fully informing the purchaser at the time of the sale of the nature of the adulteration;

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

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- (b) any drug in any package which bears or has attached thereto any false or misleading statement, word, brand, label or mark purporting to indicate the nature, quality, strength, purity, composition, weight, origin, age or proportion of the article contained in the package or of any ingredient thereof;
- (c) any drug containing any substance the addition of which is prohibited;
- (d) any drug containing a greater proportion of any substance than is permitted;
- (e) any drug for internal use which contains methyl alcohol, isopropyl alcohol or denatured alcohol; or
- (f) to the prejudice of the purchaser any drug which is not of the nature or not of the substance or not of the quality of the drug demanded by the purchaser,

commits an offence, and shall be liable, on conviction, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding three years or to both, and for a second or subsequent offence he shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five years or to both.

Section 12(2) of the SDA 1952 provides that any body corporate who commits an offence under the SDA 1952 shall be liable, on conviction, to a fine not exceeding RM50,000, and for a second or subsequent offence, it shall, on conviction, be liable to a fine not exceeding RM100,000.

In the course of carrying out our business operations, we are to ensure compliance with the SDA 1952. As at the LPD, we have not engaged in any prohibited act or conduct which contravenes any provisions of the SDA 1952.

**(2) PA 1952**

The PA 1952 regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons throughout Malaysia.

Pursuant to the relevant provisions of the PA 1952, no person shall:

- (a) import, store and deal generally by wholesale and retail or by wholesale only or by retail only, all poisons unless being licensed pursuant to Section 26(1) of the PA 1952;
- (b) knowingly sell, supply, keep or have in his possession or under his control or store any poison otherwise than in accordance with the regulations made under the PA 1952 and in force relating to the possession, containers, packaging, labelling or storing of such poison;
- (c) transport or consign for transport any poison otherwise than in accordance with the regulations made under the PA 1952; and



**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

- (d) dispense, compound or mix any poison with any other substance, whether a poison or not, for the purpose of it being used for medical treatment unless he/she is a registered pharmacist or registered medical practitioner or a person working under the immediate personal supervision of a registered pharmacist or registered medical practitioner.

According to Section 26(6) of the PA 1952, every licence issued pursuant to the PA 1952 is personal to the licensee named and shall not be transferable to another person in any case. Hence, no licence shall authorise the sale of any poison by any person other than the person named therein or otherwise than under his personal supervision.

Any person who contravenes any term or condition of any licence issued under Section 26 of the PA 1952 shall be guilty of an offence, and shall be punishable by a fine not exceeding RM50,000 or by imprisonment for a term not exceeding five years or to both. Section 32(2) of the PA 1952 further empowers the court to impose a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 10 years or to both under circumstances where the act or omission with which such person is charged is in the opinion of the court of such nature as to amount to wilful default or culpable negligence, which endangered or was likely to endanger human life.

As at the LPD, some of our pharmacists are licensed with Type A licence issued under the PA 1952 to import, store and deal generally by wholesale and retail or by wholesale only or by retail only, in all poisons. See Annexure B of this Prospectus for details of our registered pharmacists who have been licensed with Type A licence to import, store and deal with the permitted poisons for our Group.

**(vi) Use of radioactive material and irradiating apparatus**

**(1) AELA 1984**

The AELA 1984 and the RPL Regulations 1986 regulate the use of radio-ionising apparatus.

Pursuant to Section 13(2) of the AELA 1984, no person shall use any radioactive material, nuclear material, prescribed substance or irradiating apparatus for any purpose other than that specified in the licence issued to him in respect of that radioactive material, nuclear material, prescribed substance or irradiating apparatus.

Section 12(3) of the AELA 1984 further prescribes that a licence permitting the use of any radioactive material, nuclear material, prescribed substance or irradiating apparatus for diagnostic or therapeutic purposes may only be issued to a registered medical practitioner, registered veterinary surgeon, radiologist, radiotherapist or registered dentist.

Pursuant to Section 40 of the AELA 1984, any person who commits an offence under the AELA 1984 shall, on conviction, be liable to imprisonment for a term not exceeding 10 years or to a fine not exceeding RM100,000 or to both. Where an offence under the AELA 1984 is committed by a body corporate, every person who at the time of the commission of the offence was a director or officer of that body corporate shall be guilty of that offence, unless such person proves that he has exercised all due diligence and took all reasonable precautions to prevent the commission of such offence and that such offence was committed without his knowledge, consent and connivance.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

As at the LPD, some of our registered medical practitioners are licensed under the following classes of licences, as prescribed under the RPL Regulations 1986:

- (a) Class A licence to manufacture, trade in, produce, process, purchase, own, possess, use, transfer, handle, sell or store radioactive material consists of nuclear fuel, radioactive product or radioactive waste; and
- (b) Class C licence to manufacture, trade in, produce, process, purchase, own, possess, use, transfer, handle, sell or store apparatus capable of producing ionising radiation but does not include a sealed source apparatus or also known as irradiating apparatus.

See Annexure B of this Prospectus for details of the licences issued by the DGHM to our registered medical practitioners pursuant to the provisions of the AELA 1984 and the RPL Regulations 1986.

**(vii) Other ancillary laws and regulations**

Our Group, similar to other private healthcare services providers, is also subject to the following laws and regulations:

- (1) the Medicines (Advertisement and Sale) Act 1956 and its relevant regulations and guidelines including, the MAB Regulations 1976 and the Advertising Guidelines for Healthcare Facilities and Services (Private Hospitals, Clinics, Radiology Clinics and Medical Laboratories) issued by the Medicine Advertisement Board of the MOH, which govern advertisements of healthcare services offered by private hospitals and clinics. The information disclosed in advertisements must be factually accurate, capable of being substantiated and must not be exaggerated, false, misleading or deceptive;
- (2) the Environmental Quality Act 1974 and its relevant regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005, which prescribe the responsibilities of a waste generator and regulate, among others, the storage, transportation and disposal of scheduled wastes (including clinical wastes) arising from medical, nursing or similar practices;
- (3) the Occupational Safety and Health Act 1994 and its relevant regulations, which regulate 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;
- (4) the Personal Data Protection Act 2010 (as amended by the Personal Data Protection (Amendment) Act 2024), which regulates the processing of personal data in commercial transactions and to provide for matters connected therewith and incidental thereto; and
- (5) the Prevention and Control of Infectious Diseases Act 1988, which regulates the surveillance and disease control and prevention activities.

As at the LPD, our Group is in compliance with all the ancillary laws and regulations set out above.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS** *(Cont'd)***(B) LAWS AND REGULATIONS RELATING TO OUR MATERIAL PROPERTIES****(i) Fitness for occupation****(1) SDBA 1974 and the Buildings Ordinance 1994 of Sarawak ("Sarawak Buildings Ordinance")**

The SDBA 1974 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 CF/CCC to ensure that buildings are safe and fit for occupation.

Pursuant to Section 70(27)(f) of the SDBA 1974, no person shall occupy or permit to be occupied any building or any part thereof unless a CF/CCC has been issued, and any person who fails to comply shall, on conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

Pursuant to Bylaw 24 of the Building Bylaws specified in the Fourth Schedule of the Sarawak Buildings Ordinance, no person shall occupy or permit to be occupied any building or any part thereof unless an occupation permit, a partial occupation permit or a temporary occupation permit (the equivalent of a CF/CCC in Sarawak) has been issued under these bylaws for such building, and any failure to comply shall render such person guilty of an offence, the penalty of which is 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 on such person.

As at the LPD, the buildings used or occupied by our Group which are material for the conduct of our Group's business or operations comply with the requirements for CF/CCC.

**(ii) Fire risks****(1) FSA 1988**

The FSA 1988 provides for, among others, the protection of persons and property from fire risks or emergencies and for purposes connected therewith.

Pursuant to Section 28(1) of the FSA 1988, every designated premises shall require a fire certificate. A fire certificate is issued by the Director General of Fire and Rescue after an inspection of the designated premises has been carried out and on being satisfied that there exists adequate fire-fighting equipment or fire safety installation in relation to the use of the designated premises.

"Designated premises" has been prescribed in the Schedule of the Fire Services (Designated Premises) Order 1998 (as amended by the Fire Services (Designated Premises) (Amendment) Order 2020) to include the following:

- (a) premises throughout Malaysia used as hospitals and nursing homes with total floor area of 2,000 square metres and above, or if it is five storeys and above;

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

- (b) premises throughout Malaysia used as hotels with open corridor consisting of 100 rooms and above for each block, or in such other design that has two to three storeys building with 101 rooms and above, or four storeys building or more with 51 rooms and above;
- (c) premises throughout Malaysia used as hostels and dormitories with open corridor consisting of 10 storeys and above or with total floor area of 5,000 square metres and above, or such other design that has six storeys and above or with total floor area of 3,000 square metres and above; and
- (d) premises throughout Malaysia used as an office with a size of 30 metres and above in height or with total floor area of 10,000 square metres and above.

Pursuant to Section 33 of 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 five years or to both.

Section 57(1) of the FSA 1988 further prescribes that, where an offence under the FSA 1988 committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary, or other similar officer of the body corporate, or any person purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence.

Further, Section 27A of the FSA 1988 also requires the owner, occupier or person having the overall management of the designated premises to establish a fire safety organisation, failing which he 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 five years or to both.

As at the LPD, save as disclosed in Section 7.26 of this Prospectus, all other buildings used or occupied by our Group which are material for the conduct of our Group's business or operations have been issued with valid fire certificates.

**(C) LAWS AND REGULATIONS RELATING TO LABOUR PRACTICES****(i) Foreign workers and social welfare of employees****(1) IA 1959/63**

The IA 1959/63 regulates various aspects of immigration into Malaysia, including the entry of foreign workers into Malaysia.

Pursuant to Section 55B of the IA 1959/63:

- (a) Any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass to enter Malaysia shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each of such employee.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS (Cont'd)**

- (b) A pass lawfully issued to any person shall cease to be a valid pass when any of its terms and conditions is contravened. Where the pass has been issued for temporary employment, any changes in the employment for which it is issued must be with the written consent of the Controller of Immigration.
- (c) If it is proved to the satisfaction of the court that a person has at the same time employed more than five employees who are not in possession of a valid pass, that person shall, on conviction, be liable to imprisonment for a term of not less than six months but not more than five years and shall also be liable to whipping of not more than six strokes.
- (d) Where the offender is a body corporate, any person who at the time the offence was committed, was a member of the board of directors, a manager, a secretary or a person holding an office or a position similar to that of a manager or secretary of the body corporate, shall be guilty of that offence and shall be liable to the same punishment as mentioned above.

As at the LPD, all expatriates employed by our Group hold valid passes permitting entry and re-entry into Malaysia for the purposes of employment, and we will ensure continued compliance with the IA 1959/63.

**(2) ESMHAA 1990 and ESMHAA Regulations 2020**

The ESMHAA 1990 and the ESMHAA Regulations 2020 prescribe, among others, the minimum standards of housing for employees.

Sections 24D and 24F of the ESMHAA 1990 imposes the duty and responsibility on employers to, among others, ensure that:

- (a) no accommodation shall be provided to an employee unless it is certified with a certificate for accommodation. An employer who fails to obtain the certificate for accommodation commits an offence under the ESMHAA 1990 and shall, on conviction, be liable to a fine not exceeding RM50,000; and
- (b) every accommodation provided for employees complies with the minimum standards required under the ESMHAA 1990 or any regulations made thereunder.

The ESMHAA Regulations 2020 impose, among others, the minimum requirements for employee accommodation, including the size of floor area for bedrooms and sleeping areas, and the obligation on employers to ensure the provision of water and electricity supply as well as basic amenities.

Pursuant to Section 33 of the ESMHAA 1990, any employer who contravenes any provision of the ESMHAA 1990 or any regulations made thereunder or who fails to carry out any order made by the Director General of Labour under the ESMHAA 1990 commits an offence under such provision, and if no penalty is expressly provided for the offence shall, on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

**ANNEXURE A: GOVERNING LAWS AND REGULATIONS** *(Cont'd)*

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As at the LPD, the properties located at SunMed Residence which we own are currently being used as accommodations for employees and nursing students, further details of which are set out in Annexure D of this Prospectus. Such properties have been issued with valid certificates of accommodation.

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