

ANNEXURE C: DETAILS OF OUR GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made including those that may disrupt the operations of our Group.

Governing laws and regulations relating to Malaysia

(a) Food Act 1983 and its Subsidiary Legislation

The Food Act 1983 and its subsidiary legislation, particularly the Food Regulations 1985, regulate the quality and integrity of food distributed in Malaysia and prescribes the nature, substance and quality of articles which may be qualified as food. The Food Regulations 1985 also requires that every package containing food for sale shall be appropriately labelled and provides for the general requirement and prohibitions of any such label.

Any person who sells any food which is not of the nature, substance nor quality as specified in the Food Act commits an offence and is liable, on conviction, to imprisonment for a term not exceeding 5 years or to fine or both, whereas any person who sells any food in a manner that is false, misleading or deceptive as regards its character, nature, value, substance, quality, composition, merit or safety, strength, purity, weight, origin, age or proportion or in contravention of any regulation made under the Food Act 1983 commits an offence and is liable, on conviction, to imprisonment for a term not exceeding 3 years or to fine or both.

The Control of Tobacco Product Regulations 2004 ("**Tobacco Regulations**") regulates, amongst others, the sale of tobacco products to minor, minimum price, advertising, packaging, labelling and promotion of tobacco products. Any person who sells tobacco product is required to display at the counter where the tobacco product is displayed or offered for sale, a sign with regards to the prohibition of sale of tobacco products to minors.

Any person who contravenes any regulation under the Tobacco Regulations commits an offence and is liable, on conviction, to imprisonment for a term ranging from 6 months to 2 years, or to a fine ranging from RM1,000 to a maximum of RM10,000 or to both imprisonment and fine.

(b) Consumer Protection Act 1999

The Consumer Protection Act 1999 ("**CPA**") governs the protection of consumers. Under the Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 and Consumer Protection (Safety Standards for Toys) Regulations 2009, which were issued pursuant to the CPA, non-rechargeable batteries and toys must adhere to the prescribed safety standards.

Any supplier or importer of such goods has to ensure that the goods have been tested by an accredited laboratory and is in compliance with the prescribed safety standards and shall affix onto such goods the conformity mark in accordance with the Consumer Protection (Certificate of Conformance and Conformity Mark and Safety Standards) Regulations 2010 issued pursuant to the CPA.

A body corporate, who fails to comply with the safety standard requirements prescribed by the CPA and its regulations, commits an offence, and shall be on conviction, liable to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000. A person, who is not a body corporate, shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 6 years or both. The person or body corporate, will in addition, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

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The Consumer Protection Regulations (Electronic Trade Transactions) 2012 issued pursuant to the CPA, prescribes that any person operating a business through a website or marketplace must make certain minimum disclosures which include the name of the business operator, registration number of the business or company, email address and telephone number, or the address of the business operator, a description of the main characteristics of the goods or services, the full price of the goods or services including transportation costs, taxes and other costs, the method of payment, the terms and conditions and the estimated time of delivery.

A body corporate, who fails to comply with the Consumer Protection Regulations (Electronic Trade Transactions) 2012, commits an offence, and shall be on conviction, liable to a fine not exceeding RM100,000, and for a second or subsequent offence, to a fine not exceeding RM200,000. A person, who is not a body corporate, shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both. The person or body corporate, will in addition, be liable to a fine not exceeding RM1,000 for each day or part of a day during which the offence continues after conviction.

(c) Control of Supplies Act 1961

The Control of Supplies Act 1961 ("**CSA**") is enforced by the MDTCL and it provides for the control and rationing of supplies in Malaysia. Under the CSA, our outlets are required to have licence to sell controlled articles. Under the Control of Supplies Regulations 1974, which was issued pursuant to the CSA, goods such as wheat flour, sugar, cooking oil are classified as controlled articles whereby the dealing in such controlled articles in wholesale or retail is subject to the provisions of the CSA.

Any person, including a director of a body corporate, who fails to comply with the CSA and/or its regulations, shall be guilty of an offence and on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding 5 years or both. Any body corporate which commits an offence against the CSA shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

(d) Price Control and Anti-Profiteering Act 2011

The Price Control and Anti-Profiteering Act 2011 ("**PCAPA**") empowers the MDTCL to determine the maximum, minimum or fixed price for the manufacturing, producing, wholesaling or retaining of goods.

Any person who sells or offers to sell any price-controlled goods (such as wheat flour, cooking oil and sugar) not in accordance with the prices determined by the MDTCL commits an offence under the PCAPA.

Any person who, in the course of trade of business who makes an unreasonably high profit in selling or offering to sell or supplying or offering to supply goods also commits an offence under the PCAPA. The mechanism to determine whether profit is unreasonably high is determined by the MDTCL.

A body corporate who fails to comply with the PCAPA commits an offence, and on conviction will be liable to a fine not exceeding RM500,000 and, for a second or subsequent offence, to a fine not exceeding RM1,000,000. A person who is not a body corporate, will be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both and, for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or both.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(e) Control of Padi and Rice Act 1994**

The Control of Padi and Rice Act 1994 (“**CPRA**”) and its subsidiary legislations regulates the paddy and rice industry. Pursuant to the Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 (“**CPRR**”), any person shall not sell rice by wholesale or retail except with a Rice Licence. The CPRR prohibits the licensee to outlet or permit to outlet any rice except at the business premises specified in the licence. The CPRR also imposed a general obligation of a licensee not to hoard, conceal or destroy rice.

Pursuant to the CPRA, contravention of any conditions and provisions of the CPRR by a company shall, upon conviction, be liable to a fine not exceeding RM25,000 and, for a second or subsequent offence, to a fine not exceeding RM50,000. Any person other than a company but including a director or officer of a company who fails to comply with any conditions and provisions of the CPRR shall, on conviction, be liable to a fine not exceeding RM15,000 or to imprisonment for a term not exceeding 2 years or both and, for a second or subsequent offence, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding 5 years or both.

(f) Sale of Drugs Act 1952 and Control of Drugs and Cosmetics Regulations 1984

Cosmetic products in Malaysia are regulated under the Control of Drugs and Cosmetics Regulation 1984 which was issued pursuant to the Sale of Drugs Act 1952 (“**SDA**”), and stipulates that no person shall manufacture, sell, supply, import, possess or administer any cosmetic unless it has been notified to the Director of Pharmaceutical Services.

Any person who commits an offence against the SDA or any regulation made under the SDA, shall be liable, on conviction, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or both. Any body corporate who commits an offence against the SDA or any regulation made under the SDA, shall be liable, on conviction, to a fine not exceeding RM50,000, and for a second or subsequent offence, to a fine not exceeding RM100,000.

(g) Electricity Supply Act 1990 and the Electricity Regulations 1994

Importers, manufacturers, exhibitors, sellers and advertisers of electrical equipment (such as adaptor ports, light bulbs and extension cords) are required to apply for a certificate of approval from the Energy Commission of Malaysia pursuant to the Electricity Regulations 1994, which was issued pursuant to the Electricity Supply Act 1990.

All regulated electrical equipment approved by the Energy Commission of Malaysia must be labelled or marked in accordance with the Electricity Regulations 1994.

The potential penalty for not complying with the Energy Commission of Malaysia’s requirement to obtain a certificate of approval, in addition to its power to seize, remove, or prohibit the manufacturer, import, display, advertisement or sale of the regulated electrical equipment, is a fine not exceeding RM5,000 and/or imprisonment not exceeding 1 year under the Electricity Regulations Act 1994 and/or in respect of non-compliance with codes, guidelines, or directions of the Energy Commission of Malaysia, a maximum RM200,000 fine and/or imprisonment for a term of not exceeding 2 years pursuant to the Electricity Supply Act 1990, which also provides for stricter penalties of RM1,000,000 million and/or imprisonment for term of not exceeding 10 years, only in the event where the equipment is determined to be likely to cause injury.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(h) Trade Description Act 2011**

The Trade Description Act 2011 is enforced by the MDTCL and provides protection for traders and consumers from unhealthy trade practices.

The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

By providing false trade descriptions, a company 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. A person, not a body corporate, will be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or both.

By providing misleading statements, a company commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000, and for a second or subsequent offence, to a fine not exceeding RM1,000,000. A person, not a body corporate, will be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 3 years or both, and for a second or subsequent offence, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 5 years or both.

(i) Occupational Safety and Health Act 1994

Under the Occupational Safety and Health Act 1994 ("**OSHA**"), we have a general duty to our employees to provide and maintain the plants and systems of work that are, so far as is practicable, safe and without risks to health, provide information, instruction, training and supervision to ensure, in so far as is practicable, the safety and health of our employees at work, and to provide a working environment, which is as far as possible safe, without risks to health, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, in so far as is practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

A person, who fails to comply with the general duties, 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 2 years or both.

(j) Personal Data Protection Act 2010

The PDPA governs the laws on processing personal data in commercial transactions to protect personal data of common interest and to ensure information security, network reliability and integrity. Any person or body corporate involved in the processing of personal data by a data user must comply with the Personal Data Protection Principles set by the PDPA. Our Group is identified as a data user under Section 9(b) of the Personal Data Protection (Class of Data Users) Order 2013 as a company registered under the Act who conducts retail dealing and wholesale dealing as defined under the CSA. Any person who contravenes any of the Personal Data Protection Principles will be subjected to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 2 years or to both.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(k) Communications and Multimedia Act 1998**

The Communications and Multimedia Act 1998 ("**CMA**") provides for the powers and functions of the Malaysian Communications and Multimedia Commission ("**MCMC**") to regulate the converging communications and multimedia industries in Malaysia. Under the Communications and Multimedia (Technical Standards) Regulations 2000 ("**CMTS**") which are issued pursuant to the CMA, certification is required where any person who uses, offers for sale, sells or has in his possession with a view to sell, any communications equipment.

All communications equipment that are certified by the MCMC or a registered certifying agency must bear the certification mark or label as prescribed in the CMTS. Unless expressly stated otherwise, the general penalty for an offence committed under the CMTS in respect of failure to certify communications equipment is a fine of not exceeding RM100,000 and/or imprisonment of not exceeding 6 months; and/or the penalty in the event that the communications equipment does not comply with applicable standards under the CMA, is a fine of not exceeding RM300,000 and/or imprisonment not exceeding 3 years.

(l) Excise Act 1976

The Excise Act 1976 and its subsidiary legislations regulate and govern the licensing for the manufacture, distribution and sale of excise goods. Pursuant to the Excise Act 1976, any person shall not sell any intoxicating liquor except with a licence issued by the Excise Licensing Board ("**liquor licence**"). However, the sale by retail of beer or toddy in unopened bottles or cans is exempt from this requirement.

The Excise (Sale of Intoxicating Liquors) Regulations 1977 further regulates matters relating to licences for retail shops and wholesale dealers. The Excise (Sale of Intoxicating Liquors) Regulations 1977 prescribes the form of liquor licences and sets out regulations on the sale of liquors which include, amongst others, prohibiting the supply or sale of liquors to persons under the age of 21 years and prohibiting the sale of intoxicating liquors by any retail shop between the hours of 9.00 p.m. to 7.00 a.m.

Any person who sells intoxicating liquors without a licence or fails to comply with the conditions of a liquor licence shall, on conviction, be liable to a fine not exceeding RM50,000.

(m) SDBA, Building By-laws 1951 and Buildings Ordinance 1994**SDBA**

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC or CF for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 ("**UBBL**") which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e., an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge: (i) the relevant building has been constructed in accordance with UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

A person who occupies a premise without a CCC or CF is subject to a fine of up to RM250,000, imprisonment for a term of up to 10 years, or both, under the SDBA.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)Uniform Building By-laws 2022

The Uniform Building By-laws 2022, as adopted and issued by the respective local governments in Sabah, governs the issuance of an occupation certificate (the CCC or CF equivalent in Sabah). No person shall occupy or permit to be occupied any building unless an occupation certificate, partial occupation certificate or temporary occupation certificate has been issued under the Uniform Building By-laws 2022 for such building.

Any person who occupies a premise without an occupation certificate, partial occupation certificate or temporary occupation certificate shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence, to a further fine not exceeding RM5,000 for every day during which the offence continues after conviction.

Buildings Ordinance 1994

In Sarawak, the issuance of an occupation permit (the CCC or CF equivalent in Sarawak) is governed under the Buildings Ordinance 1994. No person shall occupy or permit to be occupied any building unless an occupation permit, partial occupation permit or temporary occupation permit has been issued for such building. A person who occupies a building without an occupation permit shall, on conviction, be liable to a fine of up to 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.

(n) Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah

The Employment Act 1955 governs the law on the employment contracts entered into between employer and employee in Peninsular Malaysia and the Federal Territory of Labuan, Malaysia while the Labour Ordinance 1958 and Labour Ordinance 1950 governs the labour laws in Sarawak and Sabah respectively. Our Group employs a large number of workers in management as well as at operational level. Our Group also employs a significant number of foreign nationals to maintain an efficient operation. As such, the Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah are important as they stipulate the laws on foreign nationals.

The Employment Act 1955 requires employers to obtain approval from the Director General of Labour to employ a foreign employee. An employer who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both.

Pursuant to the National Wages Consultative Council Act 2011, an employer who fails to pay the basic wages, as specified in the minimum wages order, to his employees commits an offence and shall, on conviction, be liable to a fine of not more than RM10,000 for each employee. In accordance with the Minimum Wages Order 2022, minimum wage, effective from 1 May 2022, is RM1,500 monthly and RM7.21 hourly for employers who employ 5 or more employees.

The Employment (Part-Time Employees) Regulations 2010 governs the overtime pay, holidays, annual leave, sick leave, and rest day for part-time employees. Any employer who contravenes the regulation commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**(o) Sales Tax Act 2018**

Sales tax administered in Malaysia is a single-stage tax charged and levied on taxable goods imported to Malaysia at the point of entry. Taxable goods are goods of a class or kind not for the time being exempted from sales tax. General rule is tax is levied on imported goods (except those exempted by the Ministry of Finance, Malaysia).

As our Group imports goods into Malaysia, our Group is bound by the provisions of the Sales Tax Act 2018.

A person who evades sales tax commits an offence, and shall, on conviction, be liable for the first offence, to a fine of not less than 10 times and not more than 20 times the amount of sales tax or to imprisonment for a term not exceeding 5 years or both, and a second or subsequent offence, to a fine of not less than 20 times and not more than 40 times the amount of sales tax or to imprisonment for a term not exceeding 7 years or both.

(p) Local Government Act 1976, Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak, and Local Government Ordinance 1961 of Sabah and Trades Licensing Ordinance 1949 of Sabah

Under the Local Government Act 1976, the Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 in Sarawak, the Trades Licensing Ordinance 1949 in Sabah, and the by-laws of the respective local councils and authorities, our outlets are required to have business and signboard/advertising licences, display the licences at the outlet premises, and produce the licences upon request.

Pursuant to the Local Government Act 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding 6 months or both. A similar penalty provision can also be found in the Local Authorities Ordinance 1996 of Sarawak save for the exception that in Sarawak, an absolute fine of RM2,000 will be imposed on those who are found guilty of such offence. In Sarawak, the Business Professions & Trade Licensing Ordinance 1958 imposes an absolute fine of RM1,000 on persons who carry on any business without a valid business licence and The Local Authorities (Advertisements) By-Laws 2012 provides for a fine of not more than RM5,000 and imprisonment of not more than 6 months for not having a signboard licence. In Sabah, the Trades Licensing Ordinance 1949 imposes on such persons, a fine of 4 times the amount of the licence fee and a further fine of RM10 for each day or part of a day during the period in which the contravention continues.

(q) National Land Code 2020

The National Land Code 2020 governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the National Land Code 2020, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

(r) Fire Services Act 1988

The Fire Services Act 1988 ("**FSA**") provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst other matters, that a fire certificate be issued only after the designated premises have been inspected and the Fire and Rescue Department of Malaysia is satisfied that there are adequate facilities for life safety, fire prevention, fire protection and fire-fighting.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

Where there is no fire certificate in force, the owners of such premises may become subject to a fine of up to RM50,000 and/or imprisonment of up to 5 years (or both) and such owners may also be required to cease the use of such premises, including by any tenants of such premises.

(s) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("Employees' Accommodation Act") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("Employees' Accommodation Regulations")

The Employees' Accommodation Act prescribes, among other things, the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The Employees' Accommodation Act imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that: (i) every accommodation provided for employees complies with the minimum standards required under the Employees' Accommodation Act and any regulations made thereunder; (ii) no employee accommodation will be provided to an employee unless certified with a CFA; (iii) any accommodation that is unfit for human habitation in accordance with the relevant written laws are not to be used to accommodate employees; (iv) the employee accommodation has decent and adequate amenities in accordance with the Employees' Accommodation Act and any regulations made thereunder; (v) necessary preventive measures are taken to ensure employees' safety and well-being; (vi) the employees receive the necessary medical assistance; and (vii) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws where the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

Further, the Employees' Accommodation Regulations, enacted pursuant to the Employees' Accommodation Act, imposes among other things the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities which will not be shared in the employee accommodations. Any employer who contravenes the Employees' Accommodation Regulations commits an offence.

An employer who fails to obtain the CFA or fails to ensure the employee accommodation is fit for human habitation in accordance with the relevant written laws, commits an offence and will on conviction, be liable to a fine not exceeding RM50,000. Any employer who contravenes any other provision of the Employees' Accommodation Act or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, will be guilty of an offence under such provision, and if no penalty is expressly provided for the offence will, 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 C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)**Governing laws and regulations relating to the PRC****(a) Laws and Regulations in Relation to Exportation of Goods****i. Foreign Trade Law**

According to the Foreign Trade Law of the PRC, or the Foreign Trade Law, promulgated by the Standing Committee of the National People's Congress on 12 May 1994 and amended on 30 December 2022, no registration of foreign trade operators is required since 30 December 2022. As at the LPD, unless otherwise provide by laws and administrative regulations, the PRC government allows the free import and export of goods and technologies. Before 30 December 2022, pursuant to the pre-amendment Foreign Trade Law, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council of PRC, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council of PRC or its entrusted agencies. Where a foreign trade operator fails to do so, customs of the PRC ("**PRC Customs**") shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

ii. Customs Law

According to the Customs Law of the PRC, adopted by the Standing Committee of the National People's Congress on 22 January 1987, recently amended on 29 April 2021 and effective on the same date, the PRC Customs is the entry and exit customs supervision and administration authority of the PRC. According to the relevant laws and administrative regulations, the PRC Customs supervises the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

iii. Regulations of PRC Customs on Administration of Recordation of Declaration Entities

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities, adopted by the General Administration of Customs on 19 November 2021 and effective on 1 January 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the PRC Customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for 1 year, after the expiry reapplication of recordation can be made.

Recently, our PRC-incorporated subsidiary, Yiwu SM Import and Export, undertakes export activities as a consignor. It has registered itself with the PRC Customs and has a valid recordation for 45 years.

(b) The PRC Company Law

The PRC Company Law was passed by the Standing Committee of the National People's Congress on 29 December 1993 and came into effect on 1 July 1994. It was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023.

ANNEXURE C: DETAILS ON OUR GOVERNING LAWS AND REGULATIONS (Cont'd)

Under the PRC Company Law, a limited liability company is a corporate legal person incorporated under the PRC Company Law. The liability of its shareholders is limited to the extent of the registered capital that they subscribe, and the liability of the company is limited to the full amount of all the assets it owns.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested.

The company's articles of association set forth the rights and duties of its shareholders, which are binding on all shareholders. Pursuant to the PRC Company Law, the rights of shareholders include:

- the right to attend shareholders' general meetings in person or by proxy and to vote in respect of the equity interests held;
- the right to transfer their equity interests in accordance with the applicable laws, regulations and the company's articles of association;
- the right to inspect and duplicate the company's articles of association, minutes of shareholders' general meetings, resolutions of board meetings, resolutions of meetings of the board of supervisors and financial and accounting reports;
- where a resolution passed by shareholders' general meetings or the board of directors violates the articles of association or infringe the lawful rights and interests of shareholders, the right to institute an action in a people's court demanding the cessation of such unlawful infringement;
- the right to receive dividends based on the equity interests held; and
- any other rights of shareholders specified in the company's articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the contribution monies in respect of the equity interests subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the equity interests taken up by them and any other shareholder obligation specified in the articles of association.

(c) Laws and Regulations in Relation to Labour Protection

Labour contracts must be concluded in writing if labour relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labour Contract Law of the PRC promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely.

According to the Labour Law of the PRC promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labour safety and sanitation and shall strictly abide by national rules and standards on labour safety and sanitation as well as educate employees on labour safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labour safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labour safety and sanitation conditions that are in compliance with national standards and necessary articles for labour protection.