
REGULATORY OVERVIEW

Save for the laws and regulations that are material or specific to our business as disclosed below, as at the Latest Practicable Date, our business is not subject to any particular laws or regulations of Singapore other than those generally applicable to companies incorporated and/or operating in Singapore.

VEHICLE MODIFICATIONS

Under Section 6 of the RTA, the LTA may make rules generally as to the use of vehicles, their construction and equipment and conditions under which they may be used. In addition, under Section 140 of the RTA, the appropriate minister may make rules for, among others, any purpose for which rules may be made under the RTA and generally for the purpose of carrying out the RTA into effect.

Rules that have been made pursuant to Sections 6 and 140 of the RTA include the Road Traffic (Motor Vehicles, Construction and Use) Rules, the Road Traffic (Motor Vehicles, Lighting) Rules and the Road Traffic (Motor Vehicles, Seat Belts) Rules which stipulate, among others, the requirements pertaining to length, width and height of a vehicle, brakes, mirrors, smoke and noise emissions, seat belts, lighting and lamps requirements.

Pursuant to Section 5(6) of the RTA, if a vehicle is used or is sold, supplied, offered or altered in contravention of the RTA, any person who so uses the vehicle or causes or permits the vehicle to be used or so sells, supplies, offers or alters it or causes or permits it to be sold, supplied, offered or altered shall be guilty of an offence. Any person who is guilty of an offence under Section 5(6) of the RTA shall be liable on conviction to a fine not exceeding S\$2,000 or to imprisonment for a term not exceeding three months and, in the case of a second or subsequent conviction, to a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding six months.

As at the Latest Practicable Date, under guidelines issued by the LTA, there are three categories of modifications: (a) modifications that are allowed without seeking the approval of the LTA, (b) modifications that require the approval of the LTA, and (c) modifications that are not allowed. Examples of each category are set out below:

Modifications that are allowed without seeking the approval of the LTA

- (i) bumpers;
- (ii) car seats;
- (iii) fog lamps;
- (iv) fuel additives;
- (v) fuel molecule polarisers;
- (vi) gear knobs;
- (vii) in-vehicle entertainment systems; and

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(viii) in-vehicle information and communication systems (Navigation system).

Modifications that require the approval of the LTA

Modifications that require the approval of LTA include but are not limited to:

- (i) engines;
- (ii) exhaust system;
- (iii) hoods or canopies;
- (iv) seating arrangements;
- (v) sunroofs;
- (vi) superchargers and turbochargers; and
- (vii) transmissions or gearboxes.

Modifications that are not allowed

- (i) air horns;
- (ii) automatic headlamp switch-on function on motorcycles;
- (iii) chain guards;
- (iv) chassis;
- (v) crash bars;
- (vi) daytime-running lamps;
- (vii) decorative lamps;
- (viii) engine capacity;
- (ix) head lamps;
- (x) nitrous injection devices;
- (xi) spot lamps;
- (xii) tinting or masking of vehicle lamps; and
- (xiii) towhooks.

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REGULATION OF IMPORTS AND EXPORTS ACT

The RIEA provides for the regulation, registration and control of imports into, exports out of and transshipments in or in transit through Singapore, of goods through requirements of permits. The RIEA is administered by the Director-General of Customs appointed under section 4(1) of the Customs Act (Chapter 70) of Singapore. TOMO-CSE engages freight forwarders to undertake the import of its products into Singapore, and these freight forwarders make the necessary permit applications for its imports on a transactional basis.

WORKPLACE SAFETY AND HEALTH ACT

The WSHA provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while the employees are at work and ensuring that the employees at work have adequate instruction, information, training and supervision as is necessary for the employees to perform their work. More specific duties imposed by the relevant regulatory body, MOM, on employers are laid out in the WSHR.

Any person who breaches his duty shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S\$500,000 and if the contravention continues after the conviction, the body corporate shall be guilty of a further offence and shall be liable to a fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction. For repeat offenders, where a person has on at least one (1) previous occasion been convicted of an offence under the WSHA that causes the death of any person and is subsequently convicted of the same offence that causes the death of another person, the court may, in addition to any imprisonment if prescribed, punish the person, in the case of a body corporate, with a fine not exceeding S\$1 million and, in the case of a continuing offence, with a further fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction.

Under the WSHA, the CWSH may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that:

- (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of the persons at work;
- (ii) any person has contravened any duty imposed by the WSHA; or
- (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

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The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, among others, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken to the satisfaction of the CWSH to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The Workplace Health and Safety Council has approved codes of practices for the purpose of providing practical guidance with respect to the requirements of the WSHA relating to safety, health and welfare at work.

In addition to the above, under the WSHA, inspectors appointed by the CWSH may, among others, enter a workplace to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in a workplace which is required for the purpose of an investigation or inquiry.

EMPLOYMENT ACT

The EA covers employees who are under a contract of service with an employer and includes, among others, a workman (as defined under the EA). However, the EA generally does not cover persons who are employed in a managerial or executive position and are in receipt of salaries exceeding S\$4,500 a month. The EA is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA.

In particular, Part IV of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,500 a month. Section 38(8) of the EA provides that an employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that an employee can perform to 72 hours a month.

Employers must seek the prior approval of the CL for exemption if they require an employee or class of employees to work for more than 12 hours a day or more than 72 overtime hours a month. The CL may, after considering the operational needs of the employer and the health and safety of the employee or class of employees, by order in writing, exempt such employees from the overtime limits subject to such conditions as the CL thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

An employer who breaches the above provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

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To the best of our Directors’ knowledge, TOMO-CSE has complied with the requirements of the EA.

EMPLOYMENT OF FOREIGN MANPOWER

The employment of foreign employees in Singapore is governed by the EFMA and regulated by the MOM as well as the government’s policies and regulations on the immigration and employment of foreign workers in Singapore. The policies and regulations are set out in, among others, the EFMA and the relevant government gazettes.

In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the Controller of Work Passes, which allows the foreign employee to work for him. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- (a) be liable on conviction to a fine of not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) on a second or subsequent conviction:
 - (i) in the case of an individual, with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or
 - (ii) in any other case, be punished with a fine of not less than S\$20,000 and not more than S\$60,000.

The availability of the foreign workers for manufacturing companies is also regulated by MOM through the following policy instruments:

- (a) approved source countries;
- (b) the imposition of security bonds and levies; and
- (c) dependency ceilings based on the ratio of local to foreign workers.

An employer of foreign workers is also subject to, among others, the provisions set out in the EA, the EFMA, the IA and the regulations issued pursuant to the IA.

As at the Latest Practicable Date, the approved source countries for workers in the manufacturing industry are Malaysia, PRC, Hong Kong, Macau, South Korea and Taiwan.

As at the Latest Practicable Date, a S\$5,000 security bond in the form of a banker’s guarantee or insurance guarantee is required to be placed for each non-Malaysian work permit holder that the Group employs in Singapore. The security bond will be returned when the work permit has been cancelled and the foreign worker has returned to his home country, and there were no breaches of the conditions of the security bond.

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The employment of foreign workers is also subject to the payment of levies. For the manufacturing sector, employers pay the requisite levy according to the quota and qualification of the foreign workers employed. As at the Latest Practicable Date, the quota and levy rate for the manufacturing sector are as follows:

<u>Quota</u>	<u>Basic skilled (monthly)</u>	<u>Basic skilled (daily)</u>	<u>Higher skilled (monthly)</u>	<u>Higher skilled (daily)</u>
Basic Tier/Tier 1: Up to 25% of the total workforce	S\$370	S\$12.17	S\$250	S\$8.22
Tier 2: Above 25% to 50% of the total workforce	S\$470	S\$15.46	S\$350	S\$11.51
Tier 3: Above 50% to 60% of the total workforce	S\$650	S\$21.37	S\$550	S\$18.09

In relation to the employment of semi-skilled or unskilled foreign workers, employers must ensure that such persons apply for a “work permit”.

As at the Latest Practicable Date, TOMO-CSE had 29 foreign employees, all of which are holders of a work permit.

Under the Employment of Foreign Manpower (Work Passes) Regulations 2012, employers of Work Permit holders are required, among others, to:

- (i) be responsible for and bear the costs of the upkeep and maintenance of the foreign employee in Singapore, including the provision of adequate food as well as medical treatment;
- (ii) provide safe working conditions;
- (iii) provide acceptable accommodation consistent with any written law, directive, guideline, circular or other instrument issued by any competent authority; and
- (iv) provide and maintain medical insurance for inpatient care and day surgery, with coverage of at least S\$15,000 per every 12-month period.

WORK INJURY COMPENSATION ACT

The WICA, regulated by the MOM, applies to all employees (with the exception of those set out in the Fourth Schedule of the WICA) who have entered into or works under a contract of service or apprenticeship with an employer, in respect of personal injury suffered by them arising out of and in the course of their employment and sets out, among other things, the amount of compensation that they are entitled to and the method(s) of calculating such compensation.

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The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with a fixed formula as set out in the Third Schedule of the WICA, subject to a maximum and minimum limit.

WORKPLACE SAFETY AND HEALTH (REGISTRATION OF FACTORIES) REGULATIONS 2008

Any person who desires to occupy or use any premises as a factory not falling within any of the classes of factories described in the First Schedule of the Workplace Safety and Health (Registration of Factories) Regulations 2008 (the “**WSH Factories Regulations**”) is required, among others, to submit a notification (“**Factory Notification**”) to the CWSH of his intention to occupy or use those premises as such a factory, before the commencement of operation of the factory. The Factory Notification shall be:

- (a) submitted to the CWSH in such form and manner as the CWSH may require; and
- (b) be accompanied by such particulars, information, statements and documents as the CWSH may require.

Any person who contravenes the requirement to submit a Factory Notification shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000.

The above duty to notify the CWSH shall apply whether the aforementioned person is the first person to occupy or use the premises as such a factory or is taking over the occupation or use of those premises as such a factory from another person.

The occupier of the factory in respect of which a Factory Notification has been submitted shall:

- (a) where any change takes place in any of the particulars of the factory which have been notified to the CWSH, furnish particulars of change to the CWSH, not later than 14 days of the change taking place; and
- (b) notify the CWSH if he intends to cease his occupation or use of the factory, not less than 14 days before so ceasing,

in such form and manner as the CWSH may require. Any person in contravention of the foregoing shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$2,000.

In addition, the occupier of a factory in respect of which a Factory Notification has been submitted shall where any change is to be made to the type of work carried out in the factory, inform the CWSH of the proposed change in writing and provide the CWSH with the relevant documents pertaining to the change and such other information as the CWSH may require, not less than one month before the change is made. Any person who contravenes the foregoing shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$3,000.

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CPF CONTRIBUTIONS

The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. TOMO-CSE is required to pay monthly to the CPF in respect of each employee, who is a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Chapter 36) of Singapore.

PERSONAL DATA PROTECTION ACT

The PDPA establishes data protection law governing the collection, use, disclosure and care of personal data by organisations in a manner that recognises both the right of individuals to protect their personal data and the need of organisations to collect, use or disclose personal data for purposes that a reasonable person would consider appropriate in circumstances. Under the PDPA, personal data means data, whether true or not, about an individual who can be identified from that data or other information which the organisation has or is likely to have access. Before the collection, use or disclosure of the personal data, TOMO-CSE is required to inform the individual of:

- (i) the purposes for the collection, use or disclosure of the personal data;
- (ii) any other purpose of the use or disclosure of the personal data of which the individual has not been informed previously; and
- (iii) on request by the individual, the business contact information of a person who is able to answer on behalf of the organisation the individual’s questions about the collection, use or disclosure of the personal data.

Under the PDPA, TOMO-CSE shall not collect, use or disclose personal data about an individual unless the individual gives or is deemed to have given his consent under the PDPA to the collection, use or disclosure unless authorised under the PDPA or any other written law. An individual is deemed to consent to the collection, use or disclosure of personal data for a purpose if the individual voluntarily provides the personal information to TOMO-CSE for the same purpose and it is reasonable that the individual would do so. If an individual consents or is deemed to have given consent to the disclosure of the individual’s personal data from one organisation to another organisation for a particular purpose, the individual is also deemed to consent to the collection, use or disclosure of the personal data for that particular purpose by that other organisation. TOMO-CSE may collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances.

An individual may request for TOMO-CSE to provide the individual with, as soon as reasonably possible, personal data about the individual that is in TOMO-CSE’s possession or control and information about the ways in which the individual’s personal data has been or may have been used or disclosed by TOMO-CSE within a year before the date of the request. The individual may also request that TOMO-CSE corrects an error or omission in the personal data about the individual that is in TOMO-CSE’s possession or control. Unless TOMO-CSE is satisfied on reasonable grounds that a correction should not be made, TOMO-CSE is required to correct the personal data as soon as practicable and if the individual consents, send the corrected personal data to every other organisation to which the personal data was disclosed by TOMO-CSE within a year before the date the correction was made unless that organisation does not need the correct personal data for any legal or business purposes.

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An individual may, on giving TOMO-CSE reasonable notice, withdraw any consent given or deemed given under the PDPA in respect of the collection, use or disclosure of personal data about the individual for any purpose. If an individual withdraws consent to the collection, use or disclosure of the individual’s personal data, TOMO-CSE shall cease collecting, using or disclosing the personal data unless authorised under the PDPA or other written law. TOMO-CSE shall also cease to retain documents containing personal data or remove any means by which the personal data can be associated with the individual as soon as it is reasonable to assume that the purpose for which the personal data was collected is no longer being served and retention is no longer necessary for legal or business purposes.

Additionally, the PDPA establishes the DNC Register. A subscriber to a Singapore telephone number may apply to the Personal Data Protection Commission to add or remove that telephone number from the DNC Register. Under the PDPA, TOMO-CSE shall not send any specified messages addressed to the Singapore telephone number in the DNC Register unless TOMO-CSE has applied to confirm and have received confirmation from the Personal Data Protection Commission that the Singapore telephone is not listed in the DNC Register. Specified messages are messages where, having regard to, among others, its contents and presentation, it could be concluded that the purpose of the message is to offer, advertise, promote or supply goods or services, land, business or investment opportunity.

COMPLIANCE WITH THE RELEVANT REQUIREMENTS

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group had been in compliance with all applicable law and regulations in Singapore which are material to the business.