

HALAL INTEGRITY AND FOOD BREACH: A CASE REVIEW OF GERBANG ALAF RESTAURANTS SDN BHD (FORMERLY GOLDEN ARCHES RESTAURANTS SDN BHD) V CHAI SU LIN & ANOR [2023] 5 MLJ 491

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ABSTRACT

Halal integrity involves beyond halal ingredients which includes cleanliness, food safety, and compliance with operational standards. Failure to maintain these aspects can have negative consequences for consumer health, business reputation and public confidence. This paper investigates the legal and forensic halal issues raised by the case of Gerbang Alaf Restaurants Sdn Bhd v Chai Su Lin & Anor which involved chronic hygiene issues and pest infestations at a franchise restaurant. This study examines the facts of the case, court evidence, and relevant laws, including the Food Act 1983, Food Hygiene Regulations 2009, Franchise Act 1998, and halal management standards. Furthermore, this case is examined from a halal forensic approach to determine the relationship between food safety and the principle of halal tayyiban. The results of the research reveal that repeated noncompliance with hygiene not only breaches the contract but also compromises halal integrity and consumer safety. This study underlines the necessity of hygienic management and regulatory compliance for the successful operation of halal food enterprises.

Introduction

Halal integrity includes all aspects of food preparation and serving including hygiene, cleanliness, food safety and strict adherence to operating standards. It is not just about the materials used in food products. Whereas these components are essential in the food service and restaurant sectors to guarantee that the food served to customers is both *tayyib* (healthy and safe) and halal in content (Soon et al., 2016). Inadequate sanitation and hygiene practices may threaten food safety, put customers at risk for health issues and eventually damage an establishment's reputation and halal status.

In order to preserve consumer trust and ensure public health, food industry operators also have a fundamental need to maintain a clean and strictly controlled environment. By conducting inspections, issuing warnings and taking legal action when needed, regulatory bodies play a crucial part in upholding hygienic standards. Furthermore, enforcement actions such as fines, closure orders or legal proceedings might occur due to non-compliance with these standards. Particularly if carelessness results in repeated breaches such insect infestations, unhygienic conditions or failure to take corrective action.

The legal responsibility of food operators to maintain safe and hygienic facilities at all times is strongly related to food breaches and hygiene standards. Food breach is a breach of established food safety guidelines, such as inadequate pest management, poor sanitation and failing to maintain cleanliness standards imposed by health authorities (Paredes, 2026). In this situation, repeated complaints about the restaurant's hygienic state including problems with pest infestation and inadequate cleanliness indicated a breakdown in appropriate operational standards. These circumstances show a lack of adherence to fundamental food hygiene regulations which are necessary to avoid contamination and guarantee that the food served is safe to eat.

The primary issue in *Gerbang Alaf Restaurants Sdn Bhd v. Chai Su Lin & Anor* [2023] 5 MLJ 491 was the defendants' failure to maintain the restaurant clean and hygienic including unsanitary conditions and pest-related issues which corresponded to a breach of the franchise agreement. The Food Act 1983, the Food Hygiene Regulations 2009, the Local Government Act 1976 and contract under the Contract Act 1950 served as the primary legal framework. The case emphasises that operations might be terminated and legal implications may result from non-compliance with both contractual and regulatory cleanliness requirements.

Food Safety Breach

A food safety breach is defined as any violation of food safety laws, regulations or procedures that might compromise the safety and quality of food products leading to harm customers. Common cases include poor hygiene, cross-contamination, incorrect food handling, insufficient storage temperatures and the use of contaminated or expired ingredients. In Malaysia, food safety is governed by the Food Act 1983 and the Food Hygiene Regulations 2009 which provide requirements to ensure that food intended for human consumption is safe and free from contamination. Failure to comply with these criteria may result in foodborne diseases, legal consequences, reputational harm and a loss of consumer trust (World Health Organization: WHO, 2026). As a result, stringent adherence to food safety standards is crucial to protect public health and preserving food quality.

In the case of *Gerbang Alaf Restaurants Sdn Bhd (formerly Golden Arches Restaurants Sdn Bhd) v Chai Su Lin & Anor* [2023] 5 MLJ 491, the food safety breach was not related to the misuse of the halal logo or false declaration of raw materials but rather to a lack of effort to maintain proper standards of cleanliness on the restaurant premises. The evidence produced in court revealed repeated occurrences of rat and cockroach breeding, poor sanitation methods and unacceptable levels of cleanliness that put consumers' food safety at risk. Health authorities conducted inspections and temporarily closed the restaurant until appropriate action was implemented.

Moreover, these failures show how poor hygiene management may threaten food safety and indirectly compromise halal integrity. This is because halal food must also meet the concept of (*tayyib*), which states that the food must be clean, safe and pure before being consumed. Furthermore, this case emphasises the necessity of following food hygiene requirements outlined in the Food Hygiene Regulations 2009 and the

Food Act 1983, as non-compliance can jeopardise not just public health but also consumer confidence and the reputation of a food establishment. As a result, maintaining strict cleanliness standards and effective pest control procedures is essential to ensure food safety and halal compliance in food service operations.

Facts of the Case

On 13 February 2007, the appellant Gerbang Alaf Restaurants Sdn Bhd (McDonald's Malaysia), entered into a Franchise Agreement (FA), Operator Lease Agreement (OTA) and Sale and Purchase Agreement (SPA) with the First Respondent to operate a McDonald's restaurant. The dispute started in 2017 when the Appellant discovered that the respondent had failed to comply with its duty to keep the premises clean and safe, a breach of Clause 18(b) of the Franchise Agreement. Several hygiene audits and operational inspections revealed unacceptable conditions including major hygiene issues and pest infestations of cockroaches, flies, ants and rats. This resulted in the Ministry of Health issuing a shutdown order for the premises on 13 December 2017. The incident was also highlighted in the media which harmed the brand's reputation.

On 26 December 2017, the Appellant issued a Notice of Termination under Section 31(3)(d) of the Franchise Act 1998 citing numerous breaches and terminated the Franchise Agreement with immediate effect. The Respondent then filed a legal action claiming that the termination was illegal, but the Court of Appeal finally granted the Appellant's appeal and overturned the High Court's decision stating that continuous breach constituted instant termination.

Means of Evidence

Documentary Evidence

The documentary evidence in the matter of Gerbang Alaf Restaurants Sdn Bhd v Chai Su Lin & Anor includes a number of official documents, audit reports and letters that demonstrate the respondent's constant failure to meet sanitary standards. The Franchise Agreement (FA), the Notice of Failure dated 5 December 2017, and the Notice of Termination dated 26 December 2017, were issued under Section 31(3)(d) of the Franchise Act 1998.

This documented proof is substantially backed by two Unannounced Pest Audit Reports (UPA) dated 24 February 2017 and 24 May 2017, which consist of photographic evidence of the hygiene issues, as well as a Brand Standard Visit (BSV) report dated 19 May 2017. Third-party documentation included the Rentokil Service Report (January to December 2017), specifically the exhibit dated 24 October 2017 (Exhibit P6), which proved the presence of flies, ants, cockroaches and rats.

Finally, three regulatory notices from the Ministry of Health dated 13 December 2017 namely the Notice of Order to Close Food Premises, the Order to Clean Corrective Action and the Notice to Order Attendance in Court constitute conclusive documents proving a material breach of Clause 18(b) of the agreement.

Physical Evidence

The physical evidence in this case focused on the surroundings and cleanliness of the respondent's McDonald's restaurant. The presence of pests like rats, cockroaches and flies as well as the discovery of rat droppings in the restaurant during an inspection by the Ministry of Health Malaysia, resulted in a closure order under Section 11 of the Food Act 1983.

During the BSV visit, the disorganised physical condition of the kitchen area, as well as the visible dirtiness of the cooking equipment and the overall premises, were examined as physical evidence. Physical evidence of all these hygiene difficulties and pest infestations were objectively documented using photos or images of the premises' surrounding areas, which were linked to the pest audit report and the BSV report. The Court of Appeal highlighted that the existence of this real evidence which was directly witnessed by the respondent's representative during the audit was genuine and could not be rejected or viewed as a fiction.

Expert Witnesses

Several crucial witnesses for both appellant (defendant) and the respondent (plaintiff) testified during this trial, confirming the circumstances surrounding the breach of contract. The appellant produced DW2 (Risk Management Department Manager), who confirmed the discovery of a pest infestation in the audit report and DW1 (Operations Consultant), who testified to the kitchen's inability to satisfy QSC (Quality, Service, and Cleanliness) requirements.

In terms of the respondent, evidence from their own witnesses ultimately supported the appellant's case for example, during cross-examination, PW3 and PW2 (Rentokil staff) admitted that the premises suffered from persistent pest issues and lacked a proper pest-proofing system which was also confirmed by DW4. Furthermore, PW6 (the respondent's premises manager at the time) provided critical, unchallenged testimony in court by openly admitting to the presence of cockroaches and rats prior to the closure date and confirming customer complaints about the presence of these pests in the restaurant environment.

Issues Involving Halal Forensic in Hygiene and Consumer Safety Management

Islamic Jurisprudence

In Islam, food must be both halal (permissible) and tayyib (clean, safe, healthful and good for ingestion). Tayyib emphasises the importance of preparing, storing and serving food in a hygienic environment free of contamination or health dangers (Mulyati et al., 2023). This principle is confirmed by Allah SWT's declaration in Surah Al-Baqarah, verse 168, which reads: "O mankind!" Eat what is lawful and good on the earth, and do not follow in Satan's footsteps; because Satan is a plain enemy to you."

(Surah Al-Baqarah, 2:168)

In the case of *Gerbang Alaf Restaurants Sdn Bhd v Chai Su Lin & Anor* [2023] 5 MLJ 491, a franchisee's restaurant was affected by pests and repeated failures to maintain cleanliness. The evidence presented in court revealed the presence of rats, cockroaches, poor sanitation practices and unsatisfactory levels of cleanliness that posed a risk to customers and employees. Although this case did not involve the use of non-halal ingredients, the unsanitary raised concerns regarding the tayyib principles in Islam.

Islam emphasises cleanliness in all aspects of life. In a hadith related by Imam Muslim, the Prophet Muhammad (peace and blessings of Allah be upon him) stated that "cleanliness is part of faith." This hadith clearly states that every Muslim has an obligation to keep their surroundings clean. Furthermore, food facilities must constantly be kept clean and free of pollutants, pests and contamination that could compromise food safety. Rats and cockroaches in food preparation areas and dining rooms can expose food to hazardous pathogens and putting consumers' health at risk. This circumstance contradicts the Shariah's purposes of preserving life and public well-being (maqasid al-shariah). In Maqasid Syariah, protect someone life from any harm is essential (Mohd Tahir, 2018).

Furthermore, food service operators have a significant ethical and religious responsibility to guarantee that the food given to customers is not only halal in terms of ingredients but also prepared in a clean and safe environment. Effective pest control measures, proper sanitation processes, employee hygiene standards and ongoing monitoring of food establishments are required to meet this responsibility (Bingham & Hagstrum, 2023). Failure to meet these criteria can weaken consumer confidence while also compromising the integrity of the overall halal food service.

Islam also places a strong emphasis on honesty, and trustworthiness in commercial transactions. It is the duty of restaurant owners to uphold all food safety and hygiene regulations in order to safeguard the welfare and concerns of customers. In this instance, the persistent breaches of hygienic regulations show a failure to fulfil that obligation. This emphasises how crucial it is to uphold a high standard of sanitation to guarantee that the food served is halal, tayyib, and safe for the general population to eat.

Halal Management, Standard and Regulation

The *Gerbang Alaf Restaurants Sdn Bhd* (previously *Golden Arches Restaurants Sdn Bhd*) v. *Chai Su Lin & Anor* [2023] 5 MLJ 491 case emphasises the significance of operational standards, food safety compliance and hygiene management in preserving halal integrity in the food service sector. The

franchisee's continuous inability to uphold appropriate levels of sanitation and cleanliness on the restaurant premises was the main focus of this lawsuit. The evidence that was produced in court demonstrated persistent problems with hygiene, such as the existence of cockroaches and rats, insufficient pest control methods, poor housekeeping techniques and unsanitary conditions in the restaurant area. These circumstances had an impact on the general quality and safety of the food served on the property in addition to posing a possible health risk to customers and staff.

The court analysed a number of papers and documents that showed the restaurant's persistent noncompliance with operational regulations. Pest audit reports, Brand Standard Visit (BSV) reports, inspection photos, non-compliance notices and witness statements from consultants, pest treatment workers and restaurant employees were within them. Despite receiving several warnings and chances to address the found shortcomings, the evidence showed that the restaurant continuously failed to fulfil the Quality, Service, and Cleanliness (QSC) criteria set by the franchisor. As a result, the Court of Appeal decided that the franchisor's decision to terminate the agreement under Section 31(3)(d) of the Franchise Act 1998 was permissible because these repeated violations constituted a severe violation of the franchise agreement.

This case exposed serious flaws in the administration and execution of the hygiene control system from the perspective of halal forensics. The frequent pest infestations and unsanitary circumstances raised questions about the validity of tayyib, even if there was no accusation that the meal contained forbidden substances or that the halal certification was abused. According to Islamic teachings, food must be tayyib, which means clean, safe, pure, and free from contamination. Pests like rats and cockroaches can expose food items, equipment and surfaces that come into touch with food to pollutants and dangerous bacteria.

Several legal and regulatory frameworks apply to the concerns highlighted in this case. The termination of a Franchise Agreement is mostly governed by Section 31(3)(d) of the Franchise Act 1998, which allows for termination if the franchisee frequently fails to comply with the terms and conditions of the agreement. Furthermore, the Food Act 1983 and the Food Hygiene Regulations 2009 place a legal obligation on food operators to keep food premises clean and hygienic to prevent contamination and safeguard public health. These regulations give health officials the authority to conduct inspections and take enforcement action, including temporary closure orders, against establishments that fail to meet hygienic standards.

From a perspective of the halal sector, the guidelines found in the Malaysian Halal Management System (MHMS) and MS 1500:2019 Halal Food General Requirements offer crucial direction for preserving hygienic conditions, contamination control, pest control and cleanliness throughout food operations. The standard highlights that halal certification includes not only the procurement of halal ingredients but also the complete food preparation, storage, handling and serving environment. Food outlets must make sure that their operating procedures constantly adhere to both halal and food safety rules.

Health Implication

The significant pest infestation case in Gerbang Alaf Restaurants Sdn Bhd (previously Golden Arches Restaurants Sdn Bhd) v Chai Su Lin & Anor [2023] 5 MLJ 491 has exposed a major risk to public health and a direct threat to consumer safety. The presence of active rats, cockroach infestations, flies and rat droppings in commercial kitchens indicates the presence of a potentially harmful source of pathogen contamination.

Rats and insects are known to carry a wide range of hazardous pathogens, including Salmonella, E. coli and Leptospira (Kerry, 2026). These bacteria can rapidly spread to areas in touch with food, cooking utensils, and raw materials because of pest movement, nesting or direct contact. When a food establishment is unorganised and does not maintain the required level of cleanliness, the risk of cross-contamination increases considerably. This is because pests can contaminate food, which is supplied to customers without their knowledge.

From a halal forensic approach, this condition not only poses food safety concerns for public health, but it also puts serious question on the halal integrity of a particular area. Pests in the food preparation area might leave rat droppings that contaminate food, equipment, and preparation surfaces. This condition

challenges the notion of *tayyib* (clean and good) in the concept of *halal toyyiban*, creating concerns about the *halal* status of the food, even if the original ingredients are *halal*.

Consuming food contaminated with these biological risks can result in significant foodborne illnesses such as gastrointestinal discomfort, sudden poisoning and chronic systemic infections. Furthermore, tiny allergen particles from pests like skin flakes, wings and dried faeces offer a risk to the respiratory system not only for restaurant employees who are directly exposed but also for customers who visit the establishment.

Therefore, the integrity of Malaysia's *halal* certification system depends on upholding consumer trust and encouraging truthful *halal*-related representations. Public trust in *halal* governance can be maintained by increased awareness, effective enforcement and ethical usage of *halal* symbols.

Conclusion

The case of *Gerbang Alaf Restaurants Sdn Bhd v Chai Su Lin & Anor* emphasised the need of maintaining high levels of cleanliness, hygiene, and food safety in food service establishments. The evidence produced in court demonstrated a persistent insect infestation, unclean conditions and repeated failures to comply with operational standards despite several warnings and corrective actions. These breaches finally resulted in the termination of the franchise agreement under Section 31(3)(d) of the Franchise Act 1998, indicating serious non-compliance with food hygiene rules.

From a *halal* forensic analysis, this case demonstrates that *halal* integrity involves more than just the necessity of ingredients but also includes the concept of *tayyib*, which demands that food be prepared, handled and served in a clean, safe, and sanitary atmosphere. The presence of rats, cockroaches, and inadequate sanitation methods increases the danger of contamination which can harm consumer health and trust in the food establishment.

Moreover, this case highlights the significance of regulatory enforcement under the Food Act 1983 and the Food Hygiene Regulations 2009 in preserving public health and ensuring adherence to food safety standards. It also serves as an urgent message to food operators, franchise holders, and *halal* industry stakeholders that effective hygiene management, continuous monitoring and strict adherence to operational standards are vital to protect consumers, preserving business reputation and maintaining the integrity of the *halal* food industry.

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