



Date: 02nd December 2022

Badan Pengawas Pemegang Saham Minoriti Berhad

Level 23, Unit 23-2, Menara AIA Sentral,
No.30, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Dear Sirs,

**Re: 26th Annual General Meeting (AGM) of TWL HOLDINGS
BERHAD ("the Company" or the "Group") to be held on
Friday, 09 December 2022**

We append herewith the reply to the questions raised:-

Operational and Financial Matters

1. The Company announced on 11 October 2021 that it has completed a rights issue with warrants, raising RM44.06 million.

From the proceeds raised, the Company has allocated RM11.17 million for repayment of borrowings within 6 months of the intended time frame for utilisation. (Page 64 of AR)

The Company has only paid RM0.615 million of the proceeds and the balance of RM10.56 million remains unpaid. (Page 64 of AR)

- a) Why did the Company not repay the borrowings within the stipulated time frame?

RESPONSE: The bank borrowings has not been fully settled as the Company is in the midst of negotiating with the banks on restructuring of its borrowings.

- b) What is the interest cost as at 30 November that the Company had to pay as a result of the delay in repaying the borrowings?

RESPONSE: As a result of the delay in repaying the borrowings the Company has incurred an interest cost of RM453,600.00 as at 30 November 2022.

- c) When does the Company intend to repay the balance of RM10.56 million?

RESPONSE: The Company is still continuing repaying the monthly instalment pending from the banks on the restructuring of its borrowings.

TWL Holdings Berhad

199401039944(325631-V)
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(formerly Tiger Synergy Berhad)

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2. The extraordinary challenging environment has an impact on the Group's financial performance in the financial year ended FY2022 as the new property development launch was delayed pending approval from the relevant authorities. (Page 29 of the AR)

a) What are the challenges the Group faced in obtaining approval from the relevant authorities as the Group has not launched any property project in the last two FYs2022 and 2021?

RESPONSE: The prolonged COVID-19 pandemic challenges has caused the delay in obtaining the approval from the relevant authorities. The Group has not launched any project in the last 2 financial years due to the sluggishness in the property sector outlook in Malaysia.

b) What measures will the Group take to speed up the process of getting approval from the relevant authorities?

RESPONSE: The Group is following up closely with the relevant authorities of getting the relevant approvals.

c) Which are the relevant authorities that have yet to give approval?

RESPONSE: There are a few relevant authorities approvals to be obtained before the project could be launched.

d) When will the Group be able to get all the approvals from the relevant authorities?

RESPONSE: The Group is expecting to get the approvals in the 1st quarter 2023.

3. The Company has granted 372 million Employees' Share Option Scheme. ("ESOS") to the directors of the Company and none to the senior management in FY 2022. (Page 66 of AR)

a) Why were there no allocation of ESOS to the senior management and staff of the Company as ESOS is primarily to reward senior management and staff of the Company?

RESPONSE: There were allocation of ESOS to the staff. However, the senior management of the Company do not intend to take up the ESOS in FY 2022.

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- b) Please provide the name of the directors and the quantum of ESOS granted to each of them.

RESPONSE:

- (i) Datin Sek Chian Nee - 311 million units
- (ii) Tan Lee Chin - 70 million units
- (iii) Dato Khoo Seng Hock - 5 million units
- (iv) Chua Eng Chin - 20 million units
- (v) Low Boon Chin - 10 million units

- c) Why is the Company seeking shareholders approval for a new ESOS as it has an existing ESOS that starts from 05.01.2022? (Page 65 of AR)

RESPONSE: *The Company seeks for waiver of the pre-emptive rights pursuant to Section 85 of the Companies Act 2016.*

4. The Group's investment in quoted shares listed on Bursa Malaysia amounted to RM6.77 million in FY 2022 as compared to RM Nil in FY 2021. (Page 114 of AR)

- a) Please provide the name of the quoted shares the Group has invested in.

RESPONSE: 1. China Ouhua Winery Holdings Ltd.
2. Sentoria Group Berhad

- b) Please provide the reasons for the investing in the quoted shares.

RESPONSE: *The investment in the quoted shares is towards the future growth of income revenue to the Group*

- c) What is the market value of the quoted shares as of 30 November 2022?

RESPONSE: *The Group had disposed the quoted shares as of 30 November 2022.*

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5. The "Others" business segment recorded a huge increase in loss from operation of RM20.6 million in FY2022 as compared to a loss from operation of RM5.54 million in FY 2021. (Pages 134 & 135 of AR)

- a) Why did the "Others" business segment continue to record higher losses from operations in both FY 2021 & FY 2022?



RESPONSE: "Others" business segment continued to record higher losses from operations in both FY 2021 & FY 2022 mainly due to share-based payment from the issuance of ESOS amounting to RM1.810 million and RM18.912 million respectively.

- b) Please provide the business divisions within the "Others" business segment that recorded higher losses in FY 2022?

RESPONSE: The "Others" business segment that recorded higher losses in FY 2022 is due to share-based payment from the issuance of ESOS and administration expenses from Holding Company

- c) What actions have been taken to mitigate the business divisions that continue to record higher losses from operations moving forward?

RESPONSE: The company will introduce other measures to reduce operating costs where required.

Corporate Governance Matters

1. The total cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2022 amounted to RM4,600 from RM3,600 in FY 2021. (Page 63 of AR)

- a) Please explain the reason for the low outsourced internal audit cost for both FYs 2022 and 2021.

RESPONSE: The internal audit cost for both FYs 2022 and 2021 commensurate with works performed and number of reports issued.

- b) Is the Chairman of the Audit Committee comfortable with the low internal audit fees paid and the quality of the internal audit reports produced?

RESPONSE: Yes. The Chairman of the Audit Committee is comfortable with the low internal audit fees paid and the quality of the internal audit reports produced.

- c) How many internal audit reports were issued for the financial year and what were the areas covered?

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RESPONSE: *During the financial year three (3) internal audit reports were issued and the areas covered are legal, human resource and purchasing department.*

2. Mr. Low Boon Chin, an independent non-executive director of the Company, ("INED") is the chairman of four committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme ("ESOS") Committee.

Why did the Board appoint the same person to be the chairman of four Committees?

From a corporate governance perspective, it would be better to appoint a different independent non-executive director, ("INED") to chair the different committees as the Board has three other INEDs who can fulfill this role.

RESPONSE: *There is no requirement on the Malaysian Code of Corporate Governance restricting an independent non-executive director of the Company from becoming the chairman of four (4) committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme ("ESOS") Committee. The appointment of Mr Low Boon Chin as the chairman of the said committees are based on his merits with due regard for his diversity in skills, experience and competence in discharging his role effectively.*

Thank you.

Yours faithfully,

For and on behalf of TWL HOLDINGS BERHAD

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