

AUDIT COMMITTEE REPORT

The Audit Committee with delegated oversight responsibilities assists the Board in ensuring that the paramount interest of the shareholders and other stakeholders of the Group are well protected. With this, the Board of Directors of TWL Holdings Berhad ("TWL") is pleased to present the report of the Audit Committee Report and its work for the financial year ended 30 June 2024.

MEMBERS AND MEETINGS

The Audit Committee ("AC") of the Company comprises four (4) members, all of whom are Independent Non-Executive Directors except Chua Eng Chin is non-independent non-executive director. The Audit Committee is chaired by Mr. Low Boon Chin, the Independent Non-Executive Director of the Company.

The Audit Committee held five (5) meetings during the financial year ended 30 June 2024. The members of the Audit Committee and their attendance are as follows:

(i)	Low Boon Chin (Chairman/Independent Non-Executive Director)(resigned on 27.08.2024)	5 of 5 meetings
(ii)	S.Nagaraju A/L Sinniah (Independent Non-Executive Director)	5 of 5 Meetings
(iii)	Chua Eng Chin (Non-Independent Non-Executive Director)	5 of 5 Meetings
(iv)	Rithauddin Hussein Jamalattiff bin Jamaluddin (Appointed on 28.08.2024)	0 of 0 Meetings

SUMMARY OF WORK DURING THE FINANCIAL YEAR

For the financial year ended 30 June 2024, the Audit Committee members had worked closely with the external auditors, internal auditors and management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting.

The Committee had in the discharge of its duties, carried out the following:

- Reviewed with the external auditors on the scope of work and audit plan of the Company and of the Group for the financial year ended 30 June 2024; and significant issues and concerns arising from the audit.
- Reviewed the annual report and audited financial statements for the financial year ended 30 June 2024 prior to tabling to the Board for approval.
- Reviewed the unaudited quarterly financial results of the Group prior to the Board of Directors' approval with particular focus on the compliance with accounting standards and regulatory requirements; and the Group's accounting policies and practices.
- Reviewed the Audit Planning Memorandum of the external auditors in respect of the audit for the financial statements of the Company and the Group for the financial year ended 30 June 2024.
- Held a private session with the external auditors without the presence of Executive Directors and Management.
- Reviewed with the internal auditors on significant issues and concerns arising from the audit; and assessing the internal auditor's findings and the management's responses thereto and thereafter, making the necessary recommendations to the Board of Directors.
- Evaluated the performance of the external auditors and made recommendation to the Board on their re-appointment and remuneration.
- Reviewed the Statement on Risk Management & Internal Control for inclusion in the Company's Annual Report.

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INTERNAL AUDIT FUNCTION

The Group has recognized that an internal audit function is essential in ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The Company has established an internal audit function which is independent of the activities in audit. The Company ensures that its internal audit function reports directly to the Audit Committee.

The internal audit function is carried out by independent party to assist the Board in the review and appraisal of the internal control system within the Group. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the undated risk profiles of the major business units of the Group. The follow-up work on previous internal audit findings would carry out by the internal audit function on the implementation of corrective actions by Management. The Audit Committee considers reports from the internal audit function and comments from Management before making recommendations to the Board to strengthen the internal control and governance systems.

During the financial year, various of internal audit reviews on the appropriateness of the instituted controls and evaluation of the acceptable levels of principal risk exposures were conducted in relation to the Group's operations and information systems as follows:

- Reliability of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with policies, procedures, laws & regulations and contracts.

During the financial year, 4 reports were presented to the Audit Committee focusing on and others activities as below:

(i) Project Department

- Rules, policies, procedure and guidelines on management of project.
- Financing for Project.
- Existing framework and available documentations to assess its organizational governance, adequacy and comparability with project management.
- Resource Management.
- Information Management.
- Document/Record Management System.
- Integration and management of risk.
- Effectiveness of monitoring and reporting mechanism setup within the project management framework.
- Project and Quality Assurance.
- Information Management.

AUDIT COMMITTEE REPORT**INTERNAL AUDIT FUNCTION (CONT'D)****(ii) Human Resource Department**

- Human Resource Planning.
- Hiring and On-Boarding.
- Safety and security.
- Job Descriptions.
- Compliances to Employment Act 1955
- HR Department Organization.
- Training and Development.
- Termination Process and Exit Interviews.
- Forms Review.
- Performance Evaluation Processes.

(iii) Accounts Department

- Department policies and procedure.
- Procedure related to process of Creditors.
- Procedure related to process of Debtors.
- Procedure related to process of Assets.
- Review on other data processed.
- Identify various type of transactions against the set policies and procedures.
- Risk involved in accounting.

At the conclusion of the various audits, weaknesses together with the recommended corrective actions were highlighted to the management. There were no material losses incurred during the current financial year as a result of the weaknesses in the internal control systems and management is proactive in strengthening the internal control environment. Follow-up audit reviews were conducted to ensure that corrective actions are being implemented accordingly. The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted by management.

The total cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2024 amounted to RM3,400.