

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors ("**Board**") of TWL Holdings Berhad ("**TWL**" or "**the Company**") recognises the importance of corporate governance towards promoting business prosperity and corporate accountability to protect and enhance shareholders' value as well as the interest of the Company.

The Board is fully committed in upholding the principles of corporate governance which are practiced throughout the Company and its subsidiaries (**the "Group"**) with the ultimate objective to protect and enhance shareholders' value, achieving financial sustainability and corporate accountability.

In its application of pertinent governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance ("**MCCG**" or "**Code**") and the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa**") wherever applicable in the best interest of the shareholders of the Group for the financial year ended 30 June 2024 ("**FYE 2024**").

The Board is pleased to provide an overview of the corporate governance ("**CG**") practices, which made reference to the following three (3) key CG principles as set out in the MCCG throughout the FYE 2024: -

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG overview statement, approved by the Board, shall be read together with the CG Report 2024 ("**CG Report**") of the Company which is available on the website of Bursa at www.bursamalaysia.com.

The said CG Report will provide the details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2024. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2024 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

INTENDED OUTCOME 1: EVERY COMPANY IS HEADED BY A BOARD, WHICH ASSUMES RESPONSIBILITY FOR THE COMPANY'S LEADERSHIP AND IS COLLECTIVELY RESPONSIBLE FOR MEETING THE OBJECTIVES AND GOALS OF THE COMPANY

The Board has overall responsibility for the proper conduct of the Group's business. This includes setting the goals and strategic directions, establishing goals for management and monitoring the achievement of these goals, overseeing the process of evaluating the adequacy and effectiveness of internal controls, identifying principles risks and ensuring the implementations of appropriate systems to manage these risks.

The Board plays a key and active role in the formulation and development of the Group's policies and strategies and is responsible for oversight and overall management of the Group. The Board has undertaken the following principal roles and responsibilities in discharging its fiduciary duties and responsibilities:-

- (a) Reviewing and adopting the strategic plans for the Group. The Board deliberates all materials relating to the strategic plan with management. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan;
- (b) Reviewing the Group's financial performance and position on a quarterly basis;
- (c) Identifying principal risks and ensuring the implementation of appropriate internal control systems to manage the identified risks;
- (d) Reviewing succession planning including appointments, determination of compensation levels and replacement of senior management staff;
- (e) Reviewing other significant matters that may have a material impact on the Group; and
- (f) Reviewing the adequacy and integrity of management information and internal control system of the Group. The Board of Directors has also established various Board Committees to assist and complement the Board in the execution of its responsibilities. Each Board Committee operates within its terms of reference, which clearly define its functions and authority, and the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Board has formally adopted a Board Charter to ensure that all the Board members are aware of their responsibilities as Board members, the various legislation and regulations including the Code of Conduct & Ethics for Company's Directors issued by Companies Commission of Malaysia ("CCM") and that the practices of good Corporate Governance are applied in all dealings by Board members individually and/ or collectively on behalf of the Group.

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following committee: -

- (a) Audit Committee;
- (b) Nomination Committee;
- (c) Remuneration Committee; and
- (d) Employee Share Option Scheme ("ESOS") Committee.

The Board has also delegated the daily management of the Group's affairs to the Executive Chairman, Managing Director ("MD") and Executive Director ("ED"). The Executive Chairman, MD, ED and Management meet regularly to review and monitor the performance of the Group's operations. Independent Non-Executive directors are not involved in the daily management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategy.

The Board meets at least once every financial quarter with urgent and important matters resolved by way of circular resolutions and convening of additional meetings as and when the need arises. All proceedings of the Board and Committee meetings are recorded and the minutes thereof signed by the Chairman of the respective meetings. During the FYE 2024, five (5) meetings were held and the attendances of the Directors at Board Meeting as follows:-

	No. of Meetings Attended
Dato' Tan Wei Lian	5/5 meetings
Tan Lee Chin	5/5 meetings
Datin Sek Chian Nee (resigned on 28.08.2024)	5/5 meetings
Low Boon Chin (resigned on 27.08.2024)	5/5 meetings
Chua Eng Chin	5/5 meetings
S Nagaraju A/L Sinniah	5/5 meetings
Rithauddin Hussein Jamalattiff bin Jamaluddin	2/2 meetings
Dato' Zainol Abidin bin Mohamed (resigned on 19.07.2024)	0/3 meetings

The Board is led by the Executive Chairman, Dato' Tan Wei Lian while the MD, Ms. Tan Lee Chin, has taken the role at the same par as a Chief Executive Officer. The MD holds the primary executive responsibility for the Group's business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The MD focus on the business and leads the Senior Management of the Company in making and implementing the day- to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The distinct and separate roles between the Chairman and the MD with clear division of responsibilities have ensured the balance of the power and authority and that no one has unfettered control of the Board.

The Board is supported by the Company Secretaries, who are members of the professional body namely, the Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified under the Companies Act 2016 who can provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The Board has unlimited access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

In order to advise and guide the Board effectively, the Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory, changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

The directors are provided with agenda together with the Board papers on issues to be discussed prior to the Board meetings. A record of the Board's deliberation of issues discussed and conclusion reached are recorded in the minutes of the meeting by the company secretary. After the meeting, the minutes are circulated to the Board and Board Committee members in a timely manner. The Board, whether as a full Board or in their individual capacity, has the right to engage independent professional advice, if necessary, at the Group's expense, in furtherance to their duties.

INTENDED OUTCOME 2: THERE IS A DEMARCATION OF RESPONSIBILITY BETWEEN THE BOARD, BOARD COMMITTEES AND MANAGEMENT. THERE IS CLARITY IN THE AUTHORITY OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board. The Board Charter is subject to review by the Board periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices.

The Board Charter is published on the Company's website at <https://twlholdings.com.my>. In short, the Board Charter includes the following:-

- a) Composition of The Board
- b) Role of The Board
- c) Role of The Chairman
- d) Role of The Managing Director
- e) Board Committees
- f) Board Meeting Processes/Procedure
- g) The Board's Relationship with Shareholders and Stakeholders
- h) Directors' External Commitments and Conflict of Interest

INTENDED OUTCOME 3: THE BOARD IS COMMITTED TO PROMOTING GOOD BUSINESS CONDUCT AND MAINTAINING A HEALTHY CORPORATE CULTURE THAT ENGENDERS INTEGRITY, TRANSPARENCY AND FAIRNESS

The Board has adopted a Code of Conduct and Ethics for Directors ("the Code") which is incorporated in the Board Charter and published on the Company's website. The Code was formulated to enhance the standard of corporate governance and to promote ethical conduct of the Directors.

The Board continues to observe the Code for Company Directors issued by CCM. The Code sets out the standard of conduct and ethical behavior for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

Apart from the Code of Conduct and Ethics for Directors, the Company is working on a code of conduct for the management and employees, which focus on the Group's policy on anti-corruption and the Group's policy and procedures on whistleblowing in order to reflect the recent amendments made to the relevant laws.

The Code of Ethics aimed to provide the management and employees with certain rules and standards to be followed in their connections with customers, suppliers and other related parties of the Company's business. The Company strictly prohibits any suspicious or illegal intelligence gathering, in order to protect the Company's reputation and employees are prohibited from the occurrence of any unethical behavior.

All Directors, Management and employees are committed to comply with high ethical standards and observe the highest standards of integrity and behaviour in all activities conducted by the Company and the Group, including the interaction with its shareholders, employees, creditors, customers and within the community and environment in which the Company and the Group operate.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

INTENDED OUTCOME 4: BOARD DECISIONS ARE MADE OBJECTIVELY IN THE BEST INTERESTS OF THE COMPANY TAKING INTO ACCOUNT DIVERSE PERSPECTIVES AND INSIGHTS

The Board composition of the Company represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The current Board recently comprises of eight (8) Directors, out of which, one (1) Executive Chairman, one (1) Managing Director, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and four (4) other Independent Non-Executive Directors. The Company has complied with the requirements of at least one third (1/3) of its members are independent as stated in Paragraph 15.02(1) of Main LR of Bursa. There is no individual Director or group of Directors who dominates the Board's decision making.

The Board is of the view that the significant composition of Independent Non-Executive Directors, coupled with the adoption of Board Charter, all provide for the relevant check and balance to ensure no individual has unfettered powers in making Board's decision.

The Board regarded current Board composition to be effective in decision making at Board level where deliberation is still being upheld with the presence of the four (4) Independent Non-Executive Directors. The presence of the four (4) Independent Non-Executive Directors also able to provide an unfettered and unbiased independent judgment to promote good corporate governance in their roles as Independent Directors. The view and deliberations of these Independent Directors usually aligned to safeguard public interest and to bring independence and objectivity to the Board's deliberations.

The wide mix of different skill sets and professional diversity of the members provides an atmosphere where deliberations draw a wide range of viewpoints which are at times challenged before a decision is arrived at. The Board acknowledges that a well-balanced board will benefit the organization in promptly appraising matters and to competently arrive at decisions which will enhance the performance of the Group.

Directors are encouraged to participate in seminars, conferences and relevant training programmes to keep themselves abreast with regulatory updates and developments in the business environment and financial sector in order to comply with Paragraph 15.08 of Main LR of Bursa Securities. All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities.

During the financial period under review, the Directors attended the following training, briefing and workshop programmes:-

Directors	Seminars/Briefing/Workshop attended
Dato' Tan Wei Lian	1) Overview of Directors' Duties
Datin Sek Chian Nee	1) Overview of Directors' Duties
	2) Construction Procurement and Contract Administration
	3) Tendering Process and Contract Management
	4) Managing people in Construction Industry
	5) "Perkembangan Undang-Undang Pemburuan"
Tan Lee Chin	1) Overview of Directors' Duties
	2) Green Financing Funding Green Projects through the Islamic Capital Market
	3) Roads to leadership. Practical Strategies for Building a Diverse and Equitable Workplace
Chua Eng Chin	1) Anti Money Laundering – Risk & Vulnerabilities in Capital Markets
S Nagaraju A/L Sinniah	1) Overview of Directors' Duties
Low Boon Chin	1) Focus Group Discussion to Review Order of the minimum wage
	2) Entrepreneurs Action Committee meeting for Negeri Sembilan
Dato' Zainol Abidin bin Mohamad	1) Overview of Directors' Duties
Rithauddin Hussein Jamalattiff	1) Overview of Directors' Duties
	2) Leading for Impact (LIP)

The Directors will continue to attend relevant trainings and education programmes in order to keep themselves abreast of the latest development in the economy, industry and technology and discharge their duties and responsibilities more effectively.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The Board is mindful of the recommendation of the Code which limits the tenure of Independent Directors to nine (9) years of service and such recommendation is also reflected in the Company's Board Charter. However, the Board may, in appropriate cases and subject to the assessment of the Nomination Committee on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholder's approval.

The Appointment of board and senior management in the Company are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The appointment of a new Director is a matter for consideration and decision by all members of the Board upon appropriate recommendation from the Nomination Committee. In identifying candidates for the appointment of directors, the Nomination Committee may receive suggestion from existing Board Members, Management, and major shareholder. The Committee is also open to referrals from external sources available, such as industry and professional association as well as independent search firms.

The Board values the contributions and insights that women can bring to the Board and the Group and will strive to maintain the female composition of the Board.

INTENDED OUTCOME 5: STAKEHOLDERS ARE ABLE TO FORM AN OPINION ON THE OVERALL EFFECTIVENESS OF THE BOARD AND INDIVIDUAL DIRECTORS

Nomination Committee

The Nomination Committee is principally responsible for recommending appropriate appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Directors should bring to the Board.

The Nomination Committee comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non- Executive Director. The members of the Nomination Committee are as follows:-

Chairman	:	S Nagaraju A/L Sinniah <i>(Independent Non-Executive Director)</i>
Members	:	Chua Eng Chin <i>(Non-Independent Non-Executive Director)</i>
		Rithauddin Hussein Jamalattiff bin Jamaluddin <i>(Independent Non-Executive Director)</i>

As per Practice 5.8 of the MCGG, the Nomination Committee is chaired by an Independent Director.

The Board has stipulated specific terms of reference for the Nomination Committee, which covers, inter-alia, the salient functions as below:-

- To consider and recommend to the Board candidate for directorship and Board Committee Membership;
- To facilitate an annual assessment of the required mix of skill and experience of the Board, Board Committees and individuals Directors;
- To recommend the appropriate Board Balance and its size that including non-executive participation; and
- To review the term of office and performance of the AC and its members.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

INTENDED OUTCOME 5: STAKEHOLDERS ARE ABLE TO FORM AN OPINION ON THE OVERALL EFFECTIVENESS OF THE BOARD AND INDIVIDUAL DIRECTORS (CONT'D)

Nomination Committee (Cont'd)

The Nomination Committee met once during the financial year ended 30 June 2024 to review the effectiveness of the Board, its Committees and the contribution of each individual Director, including the required mix of skills, independence, diversity and core competencies necessary for the Board to discharge its duties effectively. The criterion for Director's evaluation covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance.

During the financial year ended 30 June 2024, the main activities carried by the Nomination Committee include the following:-

- a. Assessed the performance of the Board, Board Committees and individual Director; and
- b. Reviewed the re-election of Directors at the Annual General Meeting.

INTENDED OUTCOME 6: THE LEVEL AND COMPOSITION OF REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT TAKE INTO ACCOUNT THE COMPANY'S DESIRE TO ATTRACT AND RETAIN THE RIGHT TALENT IN THE BOARD AND SENIOR MANAGEMENT TO DRIVE THE COMPANY'S LONG-TERM OBJECTIVES

Remuneration Committee

The Remuneration Committee is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices. The Remuneration Committee comprises of three (3) Directors as follows:-

Chairman	:	S Nagaraju A/L Sinniah <i>(Independent Non-Executive Director)</i>
Members	:	Chua Eng Chin <i>(Non-Independent Non-Executive Director)</i>
		Rithauddin Hussein Jamalattiff bin Jamaluddin <i>(Independent Non-Executive Director)</i>

The Board believes that Remuneration Committee fairly supports the Directors' responsibilities and fiduciary duties in steering and growing the Group to achieve its long-term goals and to enhance its shareholder value.

The Remuneration Committee is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group. Individual Directors do not participate in the decisions regarding his or her individual remuneration.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

INTENDED OUTCOME 7: STAKEHOLDERS ARE ABLE TO ASSESS WHETHER THE REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT IS COMMENSURATE WITH THEIR INDIVIDUAL PERFORMANCE, TAKING INTO CONSIDERATION THE COMPANY'S PERFORMANCE

The remuneration of the key Senior Management of the Company disclosed below is on an aggregate basis as the Board is of the view that it is not in the best interest to disclose the Senior Management's various remunerations on name basis due to the confidentiality and sensitivity concerns. Details of Directors' remuneration paid or payable to all Directors of the Company and the Group and categorized into appropriate components for FYE 2024 are as follows:

	Salary, Fee & Allowance (RM)	Other Emoluments (RM)	Bonus (RM)	Benefit in kind (RM)	Total (RM)
Company					
Executive Directors					
Dato Tan Wei Lian	—	—	—	—	—
Datin Sek Chian Nee (resigned on 28.08.2024)	—	—	—	—	—
Tan Lee Chin	—	—	—	—	—
Independent Directors					
Dato Zainol Abidin bin Mohamed (resigned on 19.07.2024)	9,000	—	—	—	9,000
Low Boon Chin (resigned on 27.08.2024)	10,000	—	—	—	10,000
Datin Sulizah Binti A Salam (resigned on 26.09.2023)	18,000	—	—	—	18,000
S Nagaraju A/L Sinniah	4,000	—	—	—	4,000
Non-Independent Directors					
Chua Eng Chin	10,000	—	—	—	10,000

The remuneration of the key Senior Management of the Company disclosed below is on an aggregate basis as the Board is of the view that it is not in the best interest to disclose the Senior Management's various remunerations on name basis due to the confidentiality and sensitivity concerns. Details of Directors' remuneration paid or payable to all Directors of the Company and the Group and categorized into appropriate components for FYE 2024 are as follows:

	Salary, Fee & Allowance (RM)	Other Emoluments (RM)	Bonus (RM)	Benefit in kind (RM)	Total (RM)
Group					
Executive Directors					
Dato Tan Wei Lian	—	—	—	—	—
Datin Sek Chian Nee (resigned on 28.08.2024)	337,158	—	—	—	337,158
Tan Lee Chin	405,600	—	—	—	405,600

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The remuneration of the key Senior Management of the Company disclosed below is on an aggregate basis as the Board is of the view that it is not in the best interest to disclose the Senior Management's various remunerations on name basis due to the confidentiality and sensitivity concerns. Details of Directors' remuneration paid or payable to all Directors of the Company and the Group and categorized into appropriate components for FYE 2024 are as follows: (Cont'd)

	Salary, Fee & Allowance (RM)	Other Emoluments (RM)	Bonus (RM)	Benefit in kind (RM)	Total (RM)
Group (Cont'd)					
Independent Directors					
Dato Zainol Abidin bin Mohamed (resigned on 19.07.2024)	9,000	—	—	—	9,000
Low Boon Chin (resigned on 27.08.2024)	10,000	—	—	—	10,000
Datin Sulizah Binti A Salam (resigned on 26.09.2023)	18,000	—	—	—	18,000
S Nagaraju A/L Sinniah	4,000	—	—	—	4,000
Non-Independent Directors					
Chua Eng Chin	10,000	—	—	—	10,000
Other key management					
Personnel					
Salaries, wages and others	462,026	—	—	—	462,026
Defined contribution plan	—	46,508	—	—	46,508

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

INTENDED OUTCOME 8: THERE IS AN EFFECTIVE AND INDEPENDENT AUDIT COMMITTEE. THE BOARD IS ABLE TO OBJECTIVELY REVIEW THE AUDIT COMMITTEE'S FINDINGS AND RECOMMENDATIONS. THE COMPANY'S FINANCIAL STATEMENT IS A RELIABLE SOURCE OF INFORMATION

Audit Committee

The Audit Committee ("AC") of the Company comprises three (3) 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. S. Nagaraju A/L Sinniah, 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 (Independent Non-Executive Director) (resigned on 27.08.2024)	5 of 5 meetings
(ii)	S. Nagaraju A/L Sinniah (Chairman/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

The Chairman of the AC is appointed by the Board and is not the Chairman of the Board. The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Audit Committee (Cont'd)

The AC members are literate in financials and are able to understand, analyse and challenge matters under the preview of the AC including the financial reporting process. One of the Audit Committee Members, Mr. Chua Eng Chin is a qualified Chartered Accountant since 1984 and a registered member of the Malaysian Institute of Accountants (MIA) and registered Fellow Member of the Association of Chartered Accountants (United Kingdom).

The Board is assisted by the AC to oversee the Group's and Company's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The AC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the AC for Board's approval are prepared in accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company.

Besides overseeing the Group's accounting and financial reporting process, the AC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, reviews any related party transactions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. A full AC Report detailing its composition and a summary of activities during the FYE 2024 is set out in pages 58 to 60 of this Annual Report.

The performance of the AC is reviewed annually by the Nomination Committee. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

The Board via the AC has always maintained a cordial and transparent relationship with its auditors in seeking their professional advice towards ensuring compliance with the relevant accounting standards. The AC will continue to review and monitor the suitability and independence of the External Auditors. The External Auditors had confirmed that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements. During the financial year ended 30 June 2024, the independent and non independent Directors held a dialogue session with the external auditors to discuss issues of concern to the external auditors.

Besides that, the external auditors are invited to attend AC meetings to discuss their audit plan, audit findings and the Company's financial statements. In addition, the external auditors are invited to attend the Company's Annual General Meeting ("AGM") and are available to respond to shareholders' queries.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTENDED OUTCOME 9: COMPANIES MAKE INFORMED DECISIONS ABOUT THE LEVEL OF RISK THEY WANT TO TAKE AND IMPLEMENT NECESSARY CONTROLS TO PURSUE THEIR OBJECTIVES. THE BOARD IS PROVIDED WITH REASONABLE ASSURANCE THAT ADVERSE IMPACT ARISING FROM A FORESEEABLE FUTURE EVENT OR SITUATION ON THE COMPANY'S OBJECTIVES IS MITIGATED AND MANAGED.

AND

INTENDED OUTCOME 10: COMPANIES HAVE AN EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK AND STAKEHOLDERS ARE ABLE TO ASSESS THE EFFECTIVENESS OF SUCH A FRAMEWORK

Risk Management Committee

The Risk Management Committee ("RMC") of the Company comprises three (3) members. The RMC is chaired by Mr. S.Nagaraju A/L Sinniah, the Independent Non-Executive Director of the Company.

The members of the RMC as of the date of this Report are as follows:

Name	Designation	Status Of Directorship
S Nagaraju A/L Sinniah	Chairman	Independent Non-Executive Director
Tan Lee Chin	Member	Managing Director
Rithauddin Hussein Jamalattiff bin Jamaluddin (appointed on 28.08.2024)	Member	Independent Non-Executive Director

The Chairman of the RMC is appointed by the Board and is not the Chairman of the Board. The members of the RMC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities.

The RMC was established to act as a committee of the Board of Directors ("Board") with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

- assessing the internal control and risk management processes in relation to the risk and control environment.; and
- overseeing the Group's risk management framework and policies and its implementation.

The RMC was established to act as a committee of the Board of Directors ("Board") with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

The Board is pleased to provide the following statement on Risk Management and Internal Control of the Company pursuant to Para 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors' of Listed Issuers ("the Guidance"), which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 30 June 2024.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management Committee (Cont'd)

The Board acknowledges that it can only achieve the Company's objectives and sustain success with a proper risk management and internal control framework. In order to ensure that the Company make informed decision about the level of risk involved and implement necessary controls to pursue its objectives, the Board has undertaken to establish a risk management and internal control framework, some of the features and process of the risk management and internal control framework are summarised as follows: -

- (a) The departments are required to identify the risks relevant to their department with the support of independent internal audit;
- (b) The risks are then assessed and categorised as Low, Medium or High;
- (c) The audit/assessment report will be prepared and reported to the Board periodically;
- (d) The departments are required to develop control procedures or action plans to either prevent or reduce the risks identified; and
- (e) The management are required to review the risks faced by the Company periodically and ensure that the existing mitigation actions are adequate.

In line with the Main LR and the MCG 2021, the Board has established an internal audit function, which reports directly to the RMC Committee on the adequacy and effectiveness of the system of risk management and internal controls from the perspective of governance, risk and controls. In this regard, the Board has outsourced the internal audit function to an independent party in order to ensure that the internal audit is able to function independently and objectively. The internal audit provided assessments as to whether risks, which may hinder the Company from achieving its objectives, are being adequately evaluated, managed and controlled periodically. The internal audit also evaluates/recommends the effectiveness of the governance, risk management and internal control framework and facilitate enhancement, where appropriate. Areas of improvement in risks and internal controls have been identified and the implementation of action plans based on proposed recommendations have subsequently been initiated.

The risk management and internal control system is regularly reviewed by the RMC and relevant recommendations are made to the RMC and Board for approval. The Company continues to maintain and review its internal control procedures to ensure that its assets and its shareholders' investments are protected.

The summary of key elements of the Group's internal control system is stated as below:-

- Reviewed the system of internal controls, risks management and key operating processes and recommending improvements to the existing system of controls;
- Identified opportunities to improve the operations of and processes within the Group;
- Internal control procedures are set out in a series of policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies;
- On-going training and educational programme for Directors and relevant employees in assessing the adequacy and integrity of the Group's risk and control process; and
- Quarterly performance reports that provide the Board and the Management with comprehensive information on financial and key business indicators.

This Statement on Risk Management and Internal Control has been reviewed by the external auditors, provides an overview of the risk position and state of internal controls within the Group.

The external auditors have reviewed this Statement for inclusion in the financial year ended 30 June 2023 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; nor is the statement factually inaccurate. The Board has received assurance from the Executive Chairman, and Managing Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management Committee (Cont'd)

The Board and the RMC confirms that the risk management and internal control system has been in place for the period under review and up to the date of approval of this statement for inclusion in the annual report, is adequate and effective to provide reasonable assurance in safeguarding shareholders' investment and the Group's asset. There was no major internal control weakness identified that may result in any material loss or uncertainties that would require disclosure in this annual report. Notwithstanding this, reviews of all control procedures will be continuously improved and enhancement of the existing system of risk management and internal controls will be made, taking into consideration the changing business environment.

The Board and RMC acknowledge its responsibility for maintaining a sound system of internal controls and for reviewing its adequacy and integrity in order to safeguard shareholders' investments and the assets of the Group. Notwithstanding that, due to the limitation that are inherent in any system of internal control, the group's internal control system is designed to manage rather than abolish the risk of failure to achieve Group's business objective. Therefore, the system can only able to provide reasonable but not absolute assurance against material misstatement or loss.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

INTENDED OUTCOME 11: THERE IS CONTINUOUS COMMUNICATION BETWEEN THE COMPANY AND STAKEHOLDERS TO FACILITATE MUTUAL UNDERSTANDING OF EACH OTHER'S OBJECTIVES AND EXPECTATIONS

The Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is important to the shareholders and investors for informed decision making. Whilst the Company endeavors to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price- sensitive information.

The Company's corporate website at <https://twlholdings.com.my> serves as a key communication channel for shareholders, investor, members of the public and other stakeholders to obtain up-to-date information on the corporate profile, corporate structure, core business of the group, financial results, major strategic developments and other matters affecting stakeholders' interest. The Company announces its quarterly and full year results within the mandatory period. The financial statements and, where necessary other materials presented at the Company's general meetings, including all the relevant material information, are disseminated and publicly released via Bursa LINK on timely basis to ensure effective dissemination of information relating to the Group.

INTENDED OUTCOME 12: SHAREHOLDERS ARE ABLE TO PARTICIPATE, ENGAGE THE BOARD AND SENIOR MANAGEMENT EFFECTIVELY AND MAKE INFORMED VOTING DECISIONS AT GENERAL MEETINGS

The Company's AGM remains the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication and constructive feedback from the shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions. The External Auditors also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman as well as the Managing Directors will respond to shareholders' questions at the AGM. The Executive Directors and other Directors present will also respond when required. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate the full understanding and evaluation of issues involved.

STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

All the resolutions passed by the shareholders at the previous AGM held on 19 December 2023 were voted by way of electronic polling (e-polling) in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities. The shareholders were briefed on the e-polling voting procedures by the appointed Poll Administrator, Meesrs Shareworks Sdn Bhd to conduct the polling process and Mr Leonard Lim Weng Leong as Independent Scrutineers to verify the poll results.

The poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage were announced on the same day to Bursa Securities. The minutes of the AGM was also made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

The Company has explored the use of technology to facilitate the voting in absentia and/or remote shareholders' participation at general meetings, taking into consideration the number of shareholders, the accuracy and stability of such technologies, applicable laws and regulations and the cost and resources required vis-à-vis the benefits. Moving forward, the Company has planned to conduct the coming AGM via virtual meeting where the shareholders can participate the AGM remotely without physically present at the venue of the AGM.