

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 MARCH 2022

(The figures have not been audited)

| | NOTE | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|-----------------------------|-----------------------------|---|---|
| | | 3 MONTHS | 3 MONTHS | 9 MONTHS | 9 MONTHS |
| | | ENDED 31/03/22 RM'000 | ENDED 31/03/21 RM'000 | CUMULATIVE TO DATE 31/03/22 RM'000 | PRECEDING YEAR TO DATE 31/03/21 RM'000 |
| Revenue | A8 | 3,836 | - | 15,225 | - |
| Cost of sales | | (3,245) | - | (13,776) | - |
| Gross (loss)/profit from operation | | 591 | - | 1,449 | - |
| Other income | | 37 | - | 630 | - |
| Depreciation of Property, Plant and Equipmnt | | (172) | - | (475) | - |
| Administrative expenses | | (6,883) | - | (9,226) | - |
| (Loss)/profit from operation | | (6,427) | - | (7,622) | - |
| Finance costs | | (330) | - | (383) | - |
| (Loss)/profit before tax | | (6,757) | - | (8,005) | - |
| Taxation | B5 | - | - | - | - |
| (Loss)/profit for the period | | (6,757) | - | (8,005) | - |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive (loss)/income for the period | | (6,757) | - | (8,005) | - |
| Total comprehensive (loss)/income | | | | | |
| Attributable to : | | | | | |
| Equity holders of the company | | (6,757) | - | (8,005) | - |
| Non Controlling Interest | | - | - | - | - |
| | | (6,757) | - | (8,005) | - |
| (Loss)/earnings per share (sen) | | | | | |
| Basic | B14 | (0.24) | - | (0.29) | - |

The Financial year end of the Company has been changed from 31 December to 30 June to cover the 18-months period from 01 Jan 2020 to 30 June 2021 and thereafter, to end on 30 June each year. Accordingly, there are no comparative to be presented in this Condensed Consolidated Statement of Comprehensive Income.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 MARCH 2022

| | UNAUDITED AS AT 31/03/2022 RM'000 | AUDITED AS AT 30/06/2021 RM'000 |
|--|---|---------------------------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 2,540 | 2,815 |
| Inventories | 221,237 | 220,760 |
| Right-of-use assets | 192 | 357 |
| | <u>223,969</u> | <u>223,932</u> |
| Current Assets | | |
| Inventories | 18,786 | 18,794 |
| Trade receivables | 9,618 | 3,927 |
| Other receivables | 47,373 | 42,944 |
| Fixed deposit placed with Financial institutions | 50,172 | 326 |
| Cash and bank balances | 2,069 | 10,618 |
| | <u>128,018</u> | <u>76,609</u> |
| TOTAL ASSETS | <u>351,987</u> | <u>300,541</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 276,609 | 233,128 |
| Reserves | 57,695 | 49,178 |
| TOTAL EQUITY | <u>334,304</u> | <u>282,306</u> |
| Non Current Liabilities | | |
| Borrowings | 9,312 | 9,621 |
| Lease Liabilities | 457 | 537 |
| | <u>9,769</u> | <u>10,158</u> |
| Current Liabilities | | |
| Trade payables | 3,076 | 3,038 |
| Other payables | 2,673 | 2,992 |
| Amount due to Directors | - | 250 |
| Tax payable | 542 | 542 |
| Borrowings | 1,430 | 848 |
| Lease Liabilities | 193 | 407 |
| | <u>7,914</u> | <u>8,077</u> |
| TOTAL LIABILITIES | <u>17,683</u> | <u>18,235</u> |
| TOTAL EQUITY & LIABILITIES | <u>351,987</u> | <u>300,541</u> |
| Net assets per share (RM) | <u>0.12</u> | <u>0.19</u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2022

(The figures have not been audited)

| | Attributable to owners of the Company | | | | Retained Earnings RM'000 | Total Equity RM'000 |
|--|---------------------------------------|-------------------------|------------------------|----------------------------|-----------------------------|------------------------|
| | Non-distributable | | | Distributable | | |
| | Share capital RM'000 | Other Reserve RM'000 | ESOS Reserve RM'000 | Warrant Reserves RM'000 | | |
| Balance as at 1 July 2021 | 233,128 | - | - | - | 49,178 | 282,306 |
| Loss for the financial period | - | - | - | - | (8,005) | (8,005) |
| Transactions with owners | | | | | | |
| Issuance of shares pursuant to : | | | | | | |
| - Rights Issue With Warrants | 44,059 | - | - | - | - | 44,059 |
| - Fair Value of Warrants | (16,522) | - | - | 16,522 | - | - |
| - Exercise ESOS | 10,276 | - | (5,076) | - | - | 5,200 |
| - Private Placement | 5,668 | - | - | - | - | 5,668 |
| Issuance of ESOS | - | - | 5,076 | - | - | 5,076 |
| Total transactions with owners | 43,481 | - | - | 16,522 | - | 60,003 |
| At 31 March 2022 | 276,609 | - | - | 16,522 | 41,173 | 334,304 |
| At 1 January 2020, as previously stated | 225,005 | - | - | 5,809 | 65,995 | 296,809 |
| Effect of adopting MFRS 16 | - | - | - | - | (12) | (12) |
| | 225,005 | - | - | 5,809 | 65,983 | 296,797 |
| Net loss for the financial period | - | - | - | - | (22,614) | (22,614) |
| Transactions with owners : | | | | | | |
| Issuance of shares pursuant to : | | | | | | |
| - Conversion RCN | 4,000 | - | - | - | - | 4,000 |
| - Exercise ESOS | 4,291 | - | (1,810) | - | - | 2,481 |
| Issuance of ESOS | - | - | 1,810 | - | - | 1,810 |
| Share issuance expenses : | | | | | | |
| - Conversion of RCN | (168) | - | - | - | - | (168) |
| Expiry of unexercised warrants 2016/2021 | - | - | - | (5,809) | 5,809 | - |
| Total transactions with owners | 8,123 | - | - | (5,809) | 5,809 | 8,123 |
| At 30 June 2021 | 233,128 | - | - | - | 49,178 | 282,306 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2022

(The figures have not been audited)

| | 2022 9 months ended 31 March RM'000 | 2021 18 months ended 30 June RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (8,005) | (22,666) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 474 | 907 |
| Bad debts written off | - | 13 |
| Amortisation of right-of-use assets | 166 | 422 |
| Impairment losses on :- | | |
| - Trade receivables | - | 46 |
| - Other receivables | - | 107 |
| Interest income | (165) | (42) |
| Interest expenses | 383 | 1,053 |
| (Gain)/Loss on disposal of property, plant & equipment | - | (82) |
| Right-of-use assets written off | - | 324 |
| Reversal of impairment loss on : | | |
| - Trade receivables | - | (500) |
| Share based payments | 5,076 | 1,810 |
| Operating loss before working capital changes | (2,071) | (18,608) |
| Changes in working capital : | | |
| Inventories | (469) | 15,248 |
| Receivables | (10,120) | 2,186 |
| Payables | (531) | 3,648 |
| Amount owing to a related company | - | - |
| Cash generated from/ (used in) operations | (13,191) | 2,474 |
| Interest received | 165 | 42 |
| Interest paid | (383) | (461) |
| Net cash from/(used in) operating activities | (13,409) | 2,055 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | - | 163 |
| Purchase of property, plant and equipment | (201) | (129) |
| Net cash used in investing activities | (201) | 34 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | (294) | (849) |
| Repayment of term loans | 299 | (344) |
| Advances from/(Repayment to) Directors | - | 13 |
| Proceeds from issuance of right shares | 44,059 | - |
| Proceeds from term loans | - | 2,540 |
| Proceeds from exercise of ESOS | 5,200 | 2,480 |
| Proceeds from private placement | 5,668 | - |
| Proceeds from issuance of RCN | - | 3,000 |
| Share issuance expenses | | |
| - Issuance of RCN | - | (167) |
| Net cash from financing activities | 54,932 | 6,673 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 41,322 | 8,762 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 10,644 | 1,882 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 51,966 | 10,644 |
| Fixed deposits with financial institutions | 50,172 | 326 |
| Cash and bank balances | 2,069 | 10,618 |
| Bank overdraft | 0 | (4) |
| | 52,241 | 10,940 |
| Less : Fixed deposit pledged to banks | (275) | (296) |
| | 51,966 | 10,644 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

A. Notes To The Interim Financial Statements

A1. Basis of Preparation

The interim financial statements are unaudited but have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting issued by the Malaysia Accounting Standards Board (MASB) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial period ended 30 June 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2021.

The Auditors’ Report on the preceding financial statements for the financial period ended 30 June 2021 was not qualified.

A2. Changes in Accounting Policies

The significant accounting policies adopted during the current quarter under review are consistent with Malaysian Financial Reporting Standards.

A3. Seasonality or cyclicity of operations

The principal business operations of the Group are not materially affected by seasonal or cyclical factors.

A4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the period ended 31 March 2022.

A5. Changes in Estimates

There were no changes in estimates that have had any material effect in the current quarter.

A6. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the period ended 31 March 2022.

A7. Dividends Paid

No dividend was paid or declared during the current financial year-to-date.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

A8. Segmental results for the financial period ended 31 March 2022 are as follows:

| Cumulative to date | Plantation & Timber | | Property Development and Construction | | Batching Plant | | Pharmaceutical | | Others* | | Eliminations | | Consolidated | |
|-------------------------|---------------------|------------|--|------------|----------------|------------|----------------|------------|------------|------------|--------------|------------|--------------|------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Revenue</u> | | | | | | | | | | | | | | |
| External sales | 4,049 | N/A | 1,497 | N/A | 108 | N/A | 9,570 | N/A | - | N/A | - | N/A | 15,225 | N/A |
| Inter-segment sales | - | N/A | - | N/A | - | N/A | - | N/A | - | N/A | - | N/A | - | N/A |
| | 4,049 | N/A | 1,497 | N/A | 108 | N/A | 9,570 | N/A | - | N/A | - | N/A | 15,225 | N/A |
| <u>Results</u> | | | | | | | | | | | | | | |
| Segment results | 802 | N/A | (913) | N/A | (1,104) | N/A | 744 | N/A | (7,150) | N/A | | N/A | (7,622) | N/A |
| Discontinued Operation | | | | | | | | | | | | | - | N/A |
| Loss from operations | | | | | | | | | | | | | (7,622) | N/A |
| Finance costs | | | | | | | | | | | | | (383) | N/A |
| Taxation | | | | | | | | | | | | | - | N/A |
| Net loss for the period | | | | | | | | | | | | | (8,005) | N/A |

**Others represent investment holding & dormant companies*

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

A9. Carrying Amount of Revalued Assets

There is no revaluation of assets carried out during the current quarter.

The valuations of freehold land and buildings have been brought forward without amendment from the previous annual financial statements.

A10. Material Subsequent Events

There were no material subsequent events as at 31 March 2022.

A11. Changes in the Composition of the Group

There were no changes in the composition of the group as at 31 March 2022.

A12. Changes in Contingent Assets and Contingent Liabilities

The group has no contingent assets and contingent liabilities as at 31 March 2022.

A13. Capital Commitments

There were no capital commitments as at 31 March 2022.

A14. Related Party Transactions

The group related party transactions as at 31 March 2022 are for the rental of office premises amounting to RM89,239.17.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B. Notes Pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

| | INDIVIDUAL PERIOD 3 MONTHS | | CHANGES AMOUNT (%) | CUMULATIVE PERIOD 9 MONTHS | | CHANGES AMOUNT (%) |
|---|---|--|--------------------------|---|---|--------------------------|
| | CURRENT YEAR QUARTER 31/03/2022 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31/03/2021 RM'000 | | CURRENT YEAR TO-DATE 31/03/2022 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/03/2021 RM'000 | |
| Revenue | 3,836 | - | - | 15,225 | - | - |
| Gross (loss)/profit from operation | 591 | - | - | 1,449 | - | - |
| (Loss)/profit from operation | (6,427) | - | - | (7,622) | - | - |
| (Loss)/profit before tax | (6,757) | - | - | (8,005) | - | - |
| (Loss)/profit for the period | (6,757) | - | - | (8,005) | - | - |
| Total comprehensive (loss)/income attributable to | | | | | | |
| Equity holders of the company | (6,757) | - | - | (8,005) | - | - |

a) Current Quarter vs Previous Year Corresponding Quarter

The Group posted operating revenue of RM3.836 million in current period quarter from trading of gloves and timber contract works. Ever since the COVID-19 outbreak, the global and local markets have been impacted and clouded with economic uncertainties. The loss before tax for the current period of RM6.757 million mainly due to lower sales revenue from batching plant, pending of launching of new housing projects, depreciation of property, plant and equipment, administrative expenses and share-based payment for the issuance of ESOS of RM5.076 million

Performance of the respective operating business segments for the third quarter ended 31 March 2022 is analyzed as follows:

- 1) Plantation & Timber-The division recorded a profit of RM0.271 million before tax due to lower administration expenses.
- 2) Batching Plant-The division recorded a loss of RM0.374 million before tax mainly due to lower in sales volume and depreciation of property, plant and equipment.
- 3) Property Development & Construction-The division recorded a loss of RM0.258 million before tax mainly due to depreciation of property, plant and equipment, administration expenses and pending of launching of new housing project.
- 4) Pharmaceutical-The division recorded a profit of RM0.141 million before tax mainly due to lower administration expenses.
- 5) Others-The division recorded a loss before tax of RM6.206 million mainly attributed by administration expenses and share-based payment for the issuance of ESOS of RM5.076 million

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B1. Review of Performance (continued)

b) Current Year-to-date vs Previous Year-to date

Performance of the respective operating business segments for the third quarter ended 31 March 2022 is analyzed as follows:

- 6) Plantation & Timber-The division recorded a profit of before tax of RM0.802 million due to reversal of provision of expected credit loss (ECL).
- 7) Batching Plant-The division recorded a loss of before tax of RM1.104 million mainly due to lower in sales volume and depreciation of property, plant and equipment.
- 8) Property Development & Construction-The division recorded a loss before tax of RM0.913 million mainly due to depreciation of property, plant and equipment, administration expenses and pending of launching of new housing project.
- 9) Pharmaceutical-The division recorded a profit before tax of RM0.744 million mainly due to lower administration expenses and reversal of provision of expected credit loss (ECL)
- 10) Others-The division recorded a loss before tax of RM7.150 million mainly attributed by administration expenses and share-based payment for the issuance of ESOS of RM5.076 million

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

The Group's revenue of RM3.836 million for the current financial period mainly derived from trading of gloves and timber contract works.

B3. Current Year Prospects

The Malaysian economy recorded a positive growth of 3.6% in Q4 2021 as compared to the 4.5% contraction in Q3 2021. As containment measures eased and restrictions on movement between states lifted in October 2021, economic activities resumed. All economic sectors rebound, led by services and manufacturing sectors. With the upturn in Q4 2021, the economy grew by 3.1% in 2021.

Findings from the surveys conducted by Malaysian Institute of Economic Research (“MIER”) involving manufacturers and households revealed that Business Conditions Index saw improvements in Q4 2021 at 122.0, above the 100-point threshold though Consumer Sentiment Index saw the reverse, as the index fell below the optimism threshold.

On the financial segment, Bank Negara Malaysia (“BNM”) decided to maintain the Overnight Policy Rate (“OPR”) at 1.75% as at 3 March 2022. This is considered by the Monetary Policy Committee (“MPC”) as appropriate and accommodating, which will continue to support economic recovery. On the demand side, loan applications and approvals for residential purchase each increased by more than 30% compared to 2020. Loan approvals recorded a substantial turnaround from last year. Similarly, loan applications and approvals for non-residential purchase increased at a higher 33.9% and 45.7% respectively.

The property market showed signs of recovery following the implementation of various stimulus provided by the government, via Short-term Economic Recovery Plan namely Pelan Jana Semula Ekonomi Negara (“PENJANA”) and Prihatin Rakyat Economic Stimulus Package (“PRIHATIN”). The stimulus helped to sustain the confidence of the industry and households at large in coping with the impact of pandemic. In addition, initiatives introduced under Budget 2021 remained supportive to the property market. Among the initiatives included:-

1. An allocation of RM1.2 billion for providing comfortable and quality housing, especially for the low-income group:
 - a. RM500 million to build 14,000 units low-cost housing under Program Perumahan Rakyat.
 - b. RM315 million for the construction of 3,000 units of Rumah Mesra Rakyat by Syarikat Perumahan Negara Berhad.
 - c. RM125 million for the maintenance of low cost and medium-low stratified housing as well as assistance to repair dilapidated houses and those damaged by natural disasters; and
 - d. RM310 million for the Malaysia Civil Servants Housing Program (“PPAM”).
2. Full stamp duty exemption on instruments of transfer and loan agreement for first-time home buyers will be extended until 31 December 2025, effective for sale and purchase executed from 1 January 2021 to 31 December 2025.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B3. Current Year Prospects (continued)

3. Stamp Duty exemption on loan agreement and instruments of transfer given to rescuing contractors and the original house purchasers is extended for five years. This exemption is effective for loan agreements and instruments of transfer executed from 1 January 2021 to 31 December 2025 for abandoned housing projects certified by Ministry of Housing and Local Government (“KPKT”).
4. Collaboration with selected financial institutions to provide a Rent-to-Own Scheme. The program will be implemented until 2022 involving 5,000 units PR1MA houses with a total value of more than RM1 billion.

For PENJANA, the financial initiatives introduced by the government which have helped soften the impact on property market included:

1. Re-introduction of Home Ownership Campaign (“HOC”) - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1st June 2020 to 31 May 2021.
2. RPGT exemption for disposal of residential homes from 1st June 2020 to 31 December 2021 (This exemption is limited to the disposal of three units of residential homes per individual).
3. The lifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions. The HOC has been extended by government up to December 31, 2021, in hoping to assist households to own homes and reduce the numbers of unsold properties in the country.

The HOC has been extended by government up to December 31, 2021, in hoping to assist households to own homes and reduce the numbers of unsold properties in the country.

B3. Current Year Prospects (continued)

During the financial under review, the Group is mindful of the headwinds that surround the local property market scene. The Group exercised greater prudence in its products planning and continuously monitored and strategized its project launches and project planning to achieve the best match of its products to meet customer's needs and affordability levels in various locations whilst balancing profit and prudence to create higher value to its stakeholders. While the demand in properties is currently low, the Group has a number projects currently in plan. These developments are in the process of securing necessary development approvals ready to be launched when the property market recovers.

The Group has the following on-going projects:-

- (1) A residential development project comprising 618 condominium units at Seri Kembangan where the surrounding area would consist of schools, university colleges, residential properties, supermarkets and a shopping mall. There would also be several bus services and a KTM commuter train station serving the area.
- (2) Alam Impian Residential Project– This is a joint development project to be undertaken by the Group comprising 224 units of double-storey link house. Alam Impian Residential is nestled in the locale of Alam Impian, a mature township complete with amenities to sustain the daily need of its population. Five educational institutes cover the age range from children to adults, one them being a prestigious international school. Hypermarkets and shopping centres sprout in close proximity. Professional healthcare is around the corner at the various medical centres. Alam Impian Residential has everything covered
- (3) A residential Development comprising 300 units of condominium at Bukit Serdang with a full range of securities and facilities for the enjoyment of all residents with the combination of swimming pool, children's wading pool, playground, gymnasium, jogging trail, reflexology path and etc.
- (4) A joint-development project for the development of 956 units of affordable housing units on freehold lands held under Lot No. 1866 and Lot No. 1867, Off Jalan Sungei Kandis, Shah Alam with a total area of approximately 9 acres in Shah Alam, Selangor Darul Ehsan.
- (5) The Aster Residence is a exclusive apartments development consists of 250 units on freehold land with an area of approximately 0.8094 hectare located at Jalan Cheras, Mukim Cheras, Daerah Hulu Langat.
- (6) A joint-development project for the development of 206 units of luxury condominium on freehold lands located in the Mukim Kuala Lumpur, Daerah Kuala Lumpur, with a total area of approximately 2 acres in Kuala Lumpur, Negeri Wilayah Persekutuan.
- (7) A joint-development project for the proposed development of 38 units shop lot on freehold lands held under PT. 148792, Sungei Kandis, Daerah Klang with a total area of approximately 1.1685 hectare in Klang, Selangor Darul Ehsan
- (8) Bukit Sri Putra project is a development of 571 units of affordable apartments in Gombak Selangor

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B4. Profit Forecast and Profit Guarantee

The Group is not involved in any arrangement whereby it provides profit guarantee(s).

B5. Tax Expense

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--------------------------|--------------------|----------------|--------------------|----------------|
| | 3 months ended | 3 months ended | 9 months ended | 9 months ended |
| | 31/03/22 | 31/03/21 | 31/03/22 | 31/03/21 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax: | | | | |
| - Current period | - | - | - | - |
| - Deferred tax liability | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

B6. Sale of Unquoted Investments and/or Properties

There is no sale of unquoted investments and/or properties for the quarter ended 31 March 2022.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the quarter ended 31 March 2022.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B8 Corporate Proposal

1. On 13 January 2021, the Board of Directors of the Company (“Board”), Mercury Securities Sdn Bhd (“Mercury Securities”) announced that the Company proposes to undertake the renounceable right issue of up to 1,137,789,807 new ordinary shares in the Company (“Tiger Shares” or “Shares”)(“Right Shares”) together with up to 1,137,789,807 free detachable warrants in the Company (“Warrants D”) on the basis of 3 Right Shares together with 3 free Warrants D for every 4 existing Shares held by the entitled shareholders of the Company on an entitlement date to be determined (“Proposed Right Issue with Warrants”)

Bursa Malaysia Securities Berhad had vide its letter dated 07 July 2021 had approved the following:

- a) Listing and quotation of up to 1,101,480,437 Right Shares to be issued pursuant to Proposed Rights Issue with Warrants
- b) Admission to the Official List and listing and quotation of up to 1,101,480,437 Warrants D to be issued pursuant to the Proposed Rights Issue with Warrants and
- c) Listing and quotation of up to 1,101,480,437 new Shares to be issued arising from the exercise of the Warrants D

Pursuant to the close of acceptance on 27 September 2021, the Company had received valid acceptances and excess applications for a total of 1,385,371,477 Rights Shares representing 125.77% subscription of the total number of Rights Shares available for subscription under the Rights Issue with Warrants.

The Company had announced on 11 October 2021 that the Rights Issue with Warrants has been completed following the listing and quotation of 1,101,479,634 Rights Shares and 1,101,479,634 Warrants D on the Main Market of Bursa Securities.

The utilization of proceeds from the right issue as follows:

| Purpose | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Balance Unutilised RM'000 | Intended Timeframe for Utilisation |
|---|--|--|--|---|
| Funding for existing property development projects | 30,000 | 883 | 29,117 | Within 36 months |
| Repayment of borrowings | 11,106 | 218 | 10,888 | Within 6 months |
| Working capital | 2,132 | 2,132 | - | Within 24 months |
| Estimated expenses for the Rights Issue with Warrants | 821 | 774 | 47 | Immediate |
| Total | 44,059 | 4,007 | 40,052 | |

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B9 Borrowings and Debt Securities

| | 31/03/2022 | 30/06/2021 |
|-----------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| a. Secured borrowings | 11,392 | 11,413 |
| Unsecured borrowings | - | - |
| | <u>11,392</u> | <u>11,413</u> |
| b. Short term | | |
| - lease liabilities | 193 | 407 |
| - term loan | 1,430 | 848 |
| | <u>1,623</u> | <u>1,255</u> |
| Long term | | |
| - lease liabilities | 457 | 537 |
| - term loan | 9,312 | 9,621 |
| | <u>9,769</u> | <u>10,158</u> |
| Total borrowings | <u>11,392</u> | <u>11,413</u> |

All of the above borrowings are denominated in Ringgit Malaysia.

B10. Derivative Financial Instruments

The Group does not have any derivative financial instruments as at 31 March 2022.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation

There was no other material litigation, claims or arbitration, either as plaintiff or defendant and the Directors have no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of the Company and/or its subsidiaries, save as disclosed below:

1. Originating Summons No. WA-24NCC-229-06/2020 (“OS 229”)

On 25 June 2020, the Company has been served with OS 229 filed by Safari Alliance Sdn Bhd (“**Plaintiff**”) against Tan Lee Chin (“**1st Defendant**”), Dato’ Tan Wei Lian (“**2nd Defendant**”), Chua Eng Chin (“**3rd Defendant**”), Dato’ Khoo Seng Hock (“**4th Defendant**”), Low Boon Chin (“**5th Defendant**”), Datin Sek Chian Nee (“**6th Defendant**”), Dato’ Lee Yuen Fong (“**7th Defendant**”) and the Company (“**8th Defendant**”) whereby the Plaintiff sought for the following orders: -

- (i) a declaration that the affairs of the Company are being conducted in a manner oppressive to the members of the Company;
- (ii) a declaration that the following rulings made by the 1st Defendant during the annual general meeting (“**AGM**”) of the Company held on 9 June 2020 at 11.00 a.m. whereby the 1st Defendant had: -
 - (a) rejected the proxy form of Tan Say Cheong appointing the Chairman of the meeting to vote on his behalf and carrying the votes for 69,523,800 shares in the Company;
 - (b) rejected the proxy form of Lau Teng Fun & Sons Sdn Bhd appointing the Chairman to vote on its behalf and carrying the votes for 55,400,000 shares in the Company;
 - (c) rejected the proxy forms of Koh Pee Seng appointing the Chairman to vote on his behalf and carrying the votes for 1,000,000 shares in the Company;
 - (d) rejected the proxy form of Foo Meng Ju appointing the Chairman to vote on her behalf and carrying the votes for 500,000 shares in the Company;
 - (e) rejected the proxy form of Wong Guang Seng appointing the Chairman to vote on his behalf and carrying the votes for 30,010,000 shares in the Company;

are null and void and of no further effect whatsoever;

- (iii) a declaration that the 1st Defendant has no power, right, authority and/or discretion to refuse to act as a proxy at the AGM of the Company and to cast the votes in the manner as directed by the following persons in their respective proxy forms, namely: -
 - (a) Tan Say Cheong;
 - (b) Lau Teng Fun & Sons Sdn Bhd;
 - (c) Koh Pee Seng;
 - (d) Foo Meng Ju; and
 - (e) Wong Guang Seng.
- (iv) a declaration that votes of the following shareholders who had appointed the 1st Defendant as a proxy to vote on their behalf: -

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (a) Tan Say Cheong;
- (b) Lau Teng Fun & Sons Sdn Bhd;
- (c) Koh Pee Seng;
- (d) Foo Meng Ju; and
- (e) Wong Guang Seng.

be deemed to have been exercised and/or casted at the AGM of the Company on 9 June 2020 in the manner as directed in their respective proxy forms;

- (v) a declaration that the 1st Defendant had no power to withdraw the following proposed resolutions from the AGM of the Company: -

- (a) Proposed Resolution No. 6, to elect Mr. Goh Ching Mun as director;
- (b) Proposed Resolution No. 7, to elect Tan Say Cheong as director;
- (c) Proposed Resolution No. 8, to elect Leong Keng Wai as director;
- (d) Proposed Resolution No. 9, to elect Ng Leong Teck as director;
- (e) Proposed Resolution No. 10, to elect Azmi bin Osman as director;
- (f) Proposed Resolution No. 11, to elect Mr. Yeoh Lam Huat as director.

- (vi) a declaration that the withdrawal by the 1st Defendant of the following resolutions: -

- (a) Proposed Resolution No. 6, to elect Mr. Goh Ching Mun as director;
- (b) Proposed Resolution No. 7, to elect Tan Say Cheong as director;
- (c) Proposed Resolution No. 8, to elect Leong Keng Wai as director;
- (d) Proposed Resolution No. 9, to elect Ng Leong Teck as director;
- (e) Proposed Resolution No. 10, to elect Azmi bin Osman as director;
- (f) Proposed Resolution No. 11, to elect Mr. Yeoh Lam Huat as director,

from being put to vote at the AGM of the Company held on 9 June 2020 was unlawful, invalid and void;

- (vii) a declaration that Resolution No. 1, being for the approval of the payment of Directors' meeting allowance, that was put to the votes at the Company's AGM on 9 June 2020, was not carried;
- (viii) a declaration that Resolution No. 2, to re-elect Dato' Tan Wei Lian, the 2nd Defendant, that was put to vote at the 8th Defendant's AGM on 9 June 2020, was not carried;
- (ix) a declaration that Resolution No. 3, to re-elect Mr. Chua Eng Chin, the 3rd Defendant, that was put to the votes at the Company's AGM on 9 June 2020, was not carried;
- (x) a declaration that Resolution No. 4, the authority to allot ordinary shares of the Company, that was put to the votes at the Company's AGM on 9 June 2020, was not carried;
- (xi) a declaration that Resolution No. 5, retention of Dato' Khoo Seng Hock, the 4th Defendant, as a director, that was put to the vote at the Company's AGM on 9 June 2020, was not carried;
- (xii) a declaration that Proposed Resolution No. 6, to elect Mr. Goh Ching Mun as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;

TWL HOLDINGS BERHAD

199401039944 (325631- V)

(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (xiii) a declaration that the Proposed Resolution No. 7, to elect Mr. Tan Say Cheong as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;
- (xiv) a declaration that the Proposed Resolution No. 8, to elect Mr. Leong Keng Wai as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;
- (xv) a declaration that the Proposed Resolution No. 9, to elect Mr. Ng Leong Teck as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;
- (xvi) a declaration that the Proposed Resolution No. 10, to elect Mr. Azmin bin Osman as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;
- (xvii) a declaration that the Proposed Resolution No. 11, to elect Mr. Yeoh Lam Huat as a director, was deemed voted on at the Company's AGM on 9 June 2020 and that the resolution was carried;

(xviii) a declaration that the following persons: -

- (a) Mr. Goh Ching Mun;
- (b) Tan Say Cheong;
- (c) Leong Keng Wai;
- (d) Ng Leong Teck;
- (e) Azmin bin Osman;
- (f) Mr. Yeoh Lam Huat

were elected as directors of the Company, at the AGM of the Company held on 9 June 2020;

- (xix) a declaration that the results of the AGM of the Company held on 9 June 2020 as announced by the 1st Defendant at the conclusion of the AGM and as announced on the website of Bursa Securities later in the day on 9 June 2020 are invalid, void and of no effect whatsoever;
- (xx) a declaration that the results of the AGM of the Company held on 9 June 2020 as announced by the 1st Defendant by way of an amended announcement on 10 June 2020 on the website of Bursa Securities are invalid, void and of no effect whatsoever;

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

(xxi) an order that the results of the AGM of the Company held on 9 June 2020 shall be as follows: -

| Resolution No. | Subject | For | Against | Result |
|--------------------|---|-----|---------|-------------|
| Resolution No. 1 | To approve meeting allowance | | | Not Carried |
| Resolution No. 2 | To re-elect Dato' Tan Wei Lian | | | Not Carried |
| Resolution No. 3 | To re-elect Mr. Chua Eng Chin | | | Not Carried |
| Resolution No. 4 | Authority to Allot Shares | | | Not Carried |
| Resolution No. 5 | To retain Dato' Khoo Seng Hock | | | Not Carried |
| Special Resolution | Amendment of Memorandum and Articles of Associations of the Company | | | Not Carried |
| Resolution No. 6 | To elect Mr. Goh Ching Mun | | | Carried |
| Resolution No. 7 | To elect Tan Say Cheong | | | Carried |
| Resolution No. 8 | To elect Mr. Leong Keng Wai | | | Carried |
| Resolution No. 9 | To elect Mr. Ng Leong Teck | | | Carried |
| Resolution No. 10 | To elect Mr. Azmin bin Osman | | | Carried |
| Resolution No. 11 | To elect Mr. Yeoh Lam Huat | | | Carried |

(xxii) an order that the 2nd Defendant, Dato' Tan Wei Lian shall not act as or otherwise hold himself out as a director of the Company;

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (xxiii) an order that the 3rd Defendant, Mr. Chua Eng Chin shall not act as or otherwise hold himself out as a director of the Company;
- (xxiv) an order that the 4th Defendant, Dato' Khoo Seng Hock shall not act as or otherwise hold himself out as an independent director of the Company;
- (xxv) an order that the 1st to 7th Defendants do forthwith repay to the Company any meeting allowances that may have been received by them;
- (xxvi) an order that any and all costs incurred by the Company towards or otherwise in preparation of the allotment and issue of any new shares of the Company be borne by the 1st to 7th Defendants, jointly and severally;
- (xxvii) an order that the 1st to 7th Defendants be prohibited from using the funds of the Company in defending the suit and/or any other suit arising therefrom;
- (xxviii) an order that the 2nd Defendant be prohibited from subscribing to any share options offered under the ESOS of the Company;
- (xxix) the following directions are sought: -
 - (a) any order made therein shall be published via an announcement made on Bursa Securities' website for the making of announcements within 24 hours from the date of pronouncement of the Court's Order;
 - (b) any order made herein shall be appended to the Memorandum and Articles of Associations of the Company and form a permanent record thereto;
- (xxx) an order that any resolution passed by the 1st to 7th Defendants (or any 2 or more of them) following the conclusion of the AGM of the Company convened on 9 June 2020 be and is hereby invalidated and be of no effect whatsoever;
- (xxxi) costs; and
- (xxxii) any other order and/or relief deemed to be just and equitable by the Court.

In OS 229, the Plaintiff had also filed: -

- (i) a Notice of Application (*Ex-Parte*) dated 23 June 2020 against the Defendants including the Company whereby the Plaintiff sought for various injunctive reliefs ("**1st Injunction Application**"). Upon the 1st Injunction Application, the Plaintiff obtained an *ex-parte* order dated 25 June 2020 where, upon the usual undertaking by the Plaintiff, the Company was restrained from issuing and allotting new shares pursuant to a resolution passed at its AGM held on 9 June 2020 ("**Ex-Parte Order**"). Subsequently, the parties in OS 229 entered into a consent order whereby an *ad interim* injunction on the same terms as the *Ex-Parte* Order was granted pending the disposal of the 1st Injunction Application ("**Ad Interim Order**");

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (ii) a Notice of Application (Inter-Partes) dated 25 June 2020 against the 2nd and 3rd Defendants (“**2nd Injunction Application**”) where the Plaintiff sought for, amongst others, the following orders: -
 - (a) that the 2nd and 3rd Defendants be restrained from acting as or otherwise holding themselves as directors of the 8th Defendant; and
 - (b) that the 2nd and 3rd Defendants be restrained from attending or participating in any board meeting and/or any other affairs of the 8th Defendant.
- (iii) a Notice of Application (Inter-Partes) dated 23 February 2021 against the Company (“**3rd Injunction Application**”) where the Plaintiff sought for, amongst others, the following orders: -
 - (a) the 8th Defendant (i.e., the Company) be restrained from proceeding with the Rights Issue with Warrants pending the disposal of the OS 229; and
 - (b) the 8th Defendant (i.e., the Company) be restrained from issuing and/or allotting any new shares and/or any other equity instruments and/or quasi-instruments, pending the disposal of the OS 229.

On 9 June 2021, the OS 229 was dismissed by the High Court with no costs being awarded to the 8th Defendant. As a result of the dismissal of the OS 229, the 1st Injunction Application and the 2nd Injunction Application were both dismissed with no order as to costs and the 3rd Injunction Application was struck out with no order as to costs.

On 11 June 2021, the Plaintiff had filed three appeals against the above decisions of the High Court as follows: -

- (i) Court of Appeal Civil Appeal No. W-02(NCC)(A)-1180-06/2021 (“**Appeal 1180**”) where the Plaintiff appealed against the dismissal of the OS 229;
- (ii) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-1185-06/2021 (“**Appeal 1185**”) where the Plaintiff appealed against the dismissal of the 1st Injunction Application; and
- (iii) Court of Appeal Civil Appeal No. W-02(IM)(NCC)-1186-06/2021 (“**Appeal 1186**”) where the Plaintiff appealed against the dismissal of the 2nd Injunction Application.

Appeal 1186 was withdrawn on 13 January 2022 with no order as to costs.

The next online case management and hearing for the Appeal 1180 and Appeal 1185 are collectively fixed on 7 June 2022 and 21 June 2022, respectively.

The solicitors in acting for the Company are of the view that there are good prospects to oppose Appeals 1180 and 1185.

On 6 October 2021, the solicitors for the 8th Defendant (i.e., the Company) filed a Notice of Application (Directions for Assessment of Damages) where the Company sought for, amongst others, directions be given for the assessment of the losses and damage suffered by the Company as a result of the Ad Interim Order by reason of the order of the High Court on 9 June 2021 (“**Directions Application**”).

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

On 21 October 2021, the High Court pursuant to the Directions Application directed for parties to file and exchange Affidavits for the assessment of losses and damage suffered by the 8th Defendant as a result of the Ad Interim Order (“**Assessment of Damages**”).

On 13 December 2021, the solicitors for the 8th Defendant (i.e., the Company) filed a Notice of Appointment in respect of the Assessment of Damages.

The parties are in the midst of exchanging Affidavits for the Assessment of Damages and case management is fixed on 23 June 2022 to update the Court on the exchange of Affidavits.

The solicitors acting for the Company are of the view that the Company has a good chance of obtaining damages in respect of the Assessment of Damages in OS 229.

2. Civil Suit No. WA-22NCC-316-07/2021 (“Suit 316”)

Safari Alliance Sdn Bhd (“**Plaintiff**”) had on 19 July 2021 filed a Writ of Summons and Statement of Claim (collectively “**Suit 316**”) at the Kuala Lumpur High Court, whereby the Plaintiff sought for the following reliefs against Dato’ Tan Wei Lian (“**1st Defendant**”), Tan Lee Chin (“**2nd Defendant**”), Datin Sek Chian Nee (“**3rd Defendant**”), Dato’ Khoo Seng Hock (“**4th Defendant**”), Dato’ Lee Yuen Fong (“**5th Defendant**”), Low Boon Chin (“**6th Defendant**”), Chua Eng Chin (“**7th Defendant**”), Datin Sulizah Binti A. Salam (“**8th Defendant**”) and the Company (“**9th Defendant**”) (collectively, the “**Defendants**”): -

- (i) a declaration that the 1st to 8th Defendants and each of them, have acted in excess of their power in seeking to raise funds via the announcement of 13 January 2021, the notice of meeting of 13 July 2021 and the circular to Shareholders dated 14 July 2021 (“**RIWW Circular**”);
- (ii) a declaration that the Rights Issue with Warrants as set out in the announcement of the 9th Defendant made on 13 January 2021 and the RIWW Circular is a related party transaction that falls within Chapter 10 of the Listing Requirements;
- (iii) a declaration that the RIWW Circular contains insufficient disclosure to allow shareholders of the 9th Defendant to make an informed decision;
- (iv) an order that the notice of meeting dated 13 July 2021 and the RIWW Circular be and is hereby declared invalid, void and of no effect;
- (v) where the Defendants should elect to table a fresh proposal to shareholders, an order that the 1st to 8th Defendants shall disclose the following information when submitting a revised draft circular to Bursa Securities and in the circular to be issued to the shareholders of the 9th Defendant:-
 - (a) disclose the identity of the alleged contractor to whom the sum of RM39,301,374 was paid to;
 - (b) disclose the particulars and the circumstances under which the sum of RM39,301,374 was paid, and whether the sum is expressly provided to be recoverable by the 9th Defendant;

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (c) disclose the number of development projects engaged in by the 9th Defendant, the agreements made in relation thereto and the moneys paid in relation thereto;
- (d) disclose whether the lands on which the development projects are undertaken are owned by the 9th Defendant or otherwise subject to a joint venture or other arrangement and the terms of those arrangement, with due emphasis being placed on events of default under such agreements or arrangements;
- (e) disclose the cost of land clearing works for the 4 projects set out in the announcement dated 13 January 2021, which are the Aster Residence, Alam Impian Affordable Housing, Bangsar South Luxury Condominium and Alam Impian Commercial Development;
- (f) disclose the status of approval and validity of the development orders and the approval of building plans for each and every development project that the 9th Defendant had included in its announcements;
- (g) disclose the reason why the actual use of funds between 1 July 2018 and 31 December 2019 was a clear departure from the terms represented in the circular dated 4 May 2018 (“**RCN Circular**”);
- (h) disclose the voting direction of each director at the board meetings and which of the Directors (1st to 7th Defendants) who had approved the use of funds between 1 July 2018 and 31 December 2019 in a manner that departed from the RCN Circular;
- (i) disclose the reasons as to why the Directors (1st to 7th Defendants) did not choose to seek a refund of the RM39,301,374 paid to the alleged contractor;
- (j) disclose why a decision was made to seek a rights issue with warrants when a return of RM39,301,374 receivable fits the purpose of meeting 9th Defendant’s funding needs without incurring the RM800,000 corporate exercise cost;
- (k) disclose the details of the agreements entered into between 9th Defendant and/or its subsidiaries and third parties as to the scope of the development rights, the duration of the rights, the events of default that could threaten those rights and whether events of default have occurred;
- (l) disclose, in relation to the sum of RM300,152,829 advanced by 9th Defendant to its subsidiaries, as regards whether such amounts are recoverable or should be impaired;
- (m) disclose the reasons why the launch of the property projects has been consistently delayed;
- (n) disclose the reasons as to why the directors continue to engage in business where the generation of less than RM1.00 of sales requires the incurring of expenditure of around RM2.00.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (vi) an order that the Defendants do cause an independent adviser to be appointed to advise shareholders of the 9th Defendant on the Rights Issue with Warrants;
- (vii) an order that the 1st, 2nd and 3rd Defendants be restrained from voting and/ or exercising any voting rights at any EGM for the purpose of deliberating the Rights Issue with Warrants;
- (viii) an order that any resolution passed at the EGM on 29 July 2021 shall be invalid, void and of no effect;
- (ix) in the alternative, in event that the resolution tabled to the EGM on 29 July 2021 is passed, an order that a monitoring accountant be appointed over the 9th Defendant to monitor and report to the Honourable Court and to shareholders as to the usage of any funds raised pursuant to resolution mentioned above;
- (x) costs;
- (xi) any other order as the Honourable Court shall consider just and proper in the circumstances.

Further, the Company was served with a Notice of Application (*inter partes injunction*) dated 22 July 2021 (“**Injunction Application**”) whereby the Plaintiff sought for the following orders: -

- (i) the 9th Defendant whether by its servants, agents and/ or representatives, be restrained from proceeding with the EGM that is scheduled to be conducted on a fully virtual basis via ShareWorks Sdn Bhd Online Meeting Platform hosted virtually at www.swsb.com.my on Thursday, 29 July 2021 at 11 a.m. and at any adjournment thereof pending the disposal of this action;
- (ii) the 9th Defendant and/or its agents, servants and/or representatives be restrained from taking any further steps in respect of EGM on 29 July 2021 pending the disposal of this action;
- (iii) in the alternative, in the event that the EGM on 29 July 2021 proceeds, an order that the 1st, 2nd and 3rd Defendants be restrained from voting and/ or exercising any voting rights at any EGM for the purpose of deliberating the Rights Issue with Warrants as contained in the 9th Defendant’s announcement of 13 January 2021, notice of meeting of 13 July 2021 and/or the RIWW Circular;
- (iv) further and in the alternative, in the event the EGM on 29 July 2021 proceeds and does pass the resolution stated in the notice of EGM dated 13 July 2021, an order that the Defendants, whether by their servants, agents and/or representatives, be restrained from taking any steps to implement or otherwise give effect to the resolution passed at the EGM, pending the disposal of this action;
- (v) costs;
- (vi) any other order that the Honourable Court shall consider necessary or proper to grant, in the circumstances;
- (vii) liberty for any party herein to apply.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

On 26th July 2021, a Consent Order was recorded between the parties in Suit 316 upon the Injunction Application (“**1st Consent Order**”). The terms of the 1st Consent Order were as follows:-

- (i) in the event that the resolution for the Rights Issue with Warrants, as announced by the Company to Bursa Securities on 13 January 2021, 8 July 2021 and 14 July 2021, is passed at the Company’s EGM to be convened on 29 July 2021, all proceeds raised by the Company pursuant to the Rights Issue with Warrants (“**Proceeds**”), is to be segregated from all other funds of the Company and to be held in a separate bank account in the name of the Company (“**Bank Account**”);
- (ii) the Proceeds raised by the Company pursuant to the Rights Issue with Warrants is to be utilised by the Company only for the purposes as set out in Appendix A annexed to the Consent Order and such utilisation by the Company of the Proceeds shall be subjected to the prior written consent of the Monitoring Accountant (as defined hereinafter) appointed by the Consent Order;
- (iii) a Monitoring Accountant of the Company be appointed from one of the following accounting firms (Ernst & Young, Deloitte, KPMG, Ferrier Hodgson, PricewaterhouseCoopers or BDO) and agreed between the parties, to monitor the usage of the Proceeds arising from the Rights Issue with Warrants in the Bank Account. The Monitoring Accountant is required to:-
 - (a) monitor all payments in and out of the Bank Account, and shall have access to all statements, information and documents in respect of the Bank Account and in respect of the usage of the Proceeds;
 - (b) provide prior written consent for utilisation of the Proceeds or any part thereof deposited into the Bank Account, by the Company only for the purposes as set out in Appendix A of the Consent Order and also for the remuneration and expenses set out in (v) below;
 - (c) prepare and submit a monthly report by way of an affidavit, through the Company’s solicitors, to the High Court and serve a copy of the same to the solicitors for all parties in this action by the 25th of every month setting out the status of the funds in the Bank Account and any utilisation of the Proceeds by the Company in the preceding month. Parties be at liberty to request the Monitoring Accountant for any supporting documents in respect of the monthly report;
- (iv) the Monitoring Accountant be at liberty to apply and seek directions from the High Court if the need arises;

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B11. Changes in Material Litigation (continued)

- (v) the remuneration of the Monitoring Accountant and all expenses incurred by the Company arising from or in connection with the carrying out of the Monitoring Accountant's role is to be paid out of the Proceeds and/or the funds in the Bank Account, subject to the Plaintiff indemnifying the Company for all payments made by the Company in respect of the Monitoring Accountant (including service tax) in the event that the Writ of Summons dated 19 July 2021 is dismissed by further order of the Court. Unless otherwise agreed between the parties in writing, the Company agrees to bear the remuneration of the Monitoring Accountant up to a sum of RM15,000.00 per month and service tax on the sum of RM15,000.00 per month and any differential sum in the remuneration of the Monitoring Accountant (together with the relevant service tax) shall be paid by the Plaintiff;
- (vi) nothing contained in the Consent Order shall be deemed to be a waiver, an estoppel or abandonment of the rights of the parties in this action;
- (vii) there be no order as to costs.

The Defendants subsequently filed applications to strike out Suit 316 on 18th August 2021 ("**Striking Out Applications**").

On 28th October 2021, a Consent Order was recorded between the parties in Suit 316 upon the Striking Out Applications and Suit 316 ("**2nd Consent Order**"). The terms of the 2nd Consent Order were as follows:

- (i) pursuant to the withdrawal by the Plaintiff of prayers (i) to (viii) of the Statement of Claim dated 19 July 2021 ("**SOC**"), prayers (i) to (viii) of the SOC are consequentially struck out;
- (ii) in respect of prayer (ix) of the SOC, the Plaintiff and the Defendants agree for the terms as set out in the 1st Consent Order to continue until the full utilisation of the Proceeds raised by the Company pursuant to the Rights Issue with Warrants with the following modification to paragraph (iii) (c) of the said Consent Order: -

"(c) The Monitoring Accountant is required to prepare and submits a monthly report by way of an Affidavit, through the Plaintiff's solicitors, to this Honourable Court and serve a copy of the same to the solicitors for all parties in this action by the 25th of every month setting out the status of the funds in the Bank Account and any utilisation of the Proceeds by Company in the preceding month. Parties be at liberty to request the Monitoring Accountant for any supporting documents in respect of the monthly report;"
- (iii) costs of RM30,000.00 is to be paid by the Plaintiff to the 1st to 3rd Defendants collectively; and
- (iv) costs of RM30,000.00 is to be paid by the Plaintiff to the 4th to 9th Defendants collectively.

The Plaintiff has fully settled the costs awarded to the 1st to 3rd Defendants.

TWL HOLDINGS BERHAD
199401039944 (325631- V)
(Incorporated in Malaysia)

B12. Dividends Payable

The Company has not declared any dividend since the date of the last quarterly report.

B13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 30 June 2021 was not qualified.

B14. Basic Earnings Per Share

The basic earnings per share were computed based on:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------------------|----------------------------|---------------------------|-----------------------------|-----------------------------|
| | Current year quarter ended | Comparative quarter ended | 9 months cumulative to date | 9 months cumulative to date |
| | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net (loss)/profit attributable to: | | | | |
| Shareholders of the company | (6,757) | - | (8,005) | - |
| EPS-Basic (sen) | (0.24) | - | (0.29) | - |
| Weighted average number of | | | | |
| Ordinary shares in issue | 2,807,120 | 1,468,640 | 2,807,120 | 1,468,640 |

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

B15. Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2022.

By Order of the Board

Heng Chiang Pooh
Company Secretary
27 May 2022