

TOYO VENTURES HOLDINGS BERHAD
(Company No.202001001322 (1357641-P))
(Incorporated in Malaysia)

QUARTERLY REPORT

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TOYO VENTURES HOLDINGS BERHAD
 (Company No.202001001322 (1357641-P))
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2021
 (The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended	Corresponding quarter ended	Current year ended	Corresponding year ended
		31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Continuing operations					
Revenue		20,927	19,256	60,900	62,852
Cost of sales		(16,650)	(15,236)	(47,399)	(49,394)
Gross profit		4,277	4,020	13,501	13,458
Operating expenses		(3,976)	(3,795)	(10,895)	(11,555)
Other operating income		360	623	1,127	3,633
Finance cost		(87)	(85)	(249)	(257)
Share of results in associate		-	-	-	(2)
Profit before taxation	B14	574	763	3,484	5,277
Taxation	B 6	(254)	(295)	(1,019)	(891)
Profit for the period		320	468	2,465	4,386
Profit Attributable to:					
Owners of the parent		320	468	2,465	4,386
Non-controlling interest		-	-	-	-
		320	468	2,465	4,386
Basic earnings/(loss) per ordinary share (sen)	B16				
From continuing operations		0.30	0.44	2.30	4.10
From discontinued operation		-	-	-	-
		0.30	0.44	2.30	4.10
- Fully diluted (sen)		-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial period ended 30 June 2020

TOYO VENTURES HOLDINGS BERHAD
 (Company No.202001001322 (1357641-P))
 (Incorporated in Malaysia)

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2021
 (The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended	Corresponding quarter ended	Current year ended	Corresponding year ended
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Continuing operations				
Profit for the period	320	468	2,465	4,386
Translation reserve	-	-	-	-
	<u>320</u>	<u>468</u>	<u>2,465</u>	<u>4,386</u>
Discontinued operation				
Profit/(Loss) for the period	-	-	-	-
Translation reserve	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>320</u>	<u>468</u>	<u>2,465</u>	<u>4,386</u>
Total comprehensive income attributable to:				
Owners of the parent	320	468	2,465	4,386
Non-controlling interest	-	-	-	-
	<u>320</u>	<u>468</u>	<u>2,465</u>	<u>4,386</u>

Note:

The comparative figures in the consolidated statement of comprehensive income are presented as if the reorganisation had been affected from the beginning of the earliest period presented. Please refer to Note 1 Basis of Preparation.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial period ended 30 June 2020

TOYO VENTURES HOLDINGS BERHAD
(Company No.202001001322 (1357641-P))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	As At 31/03/2021 RM'000	As At 30/06/2020 RM'000 (Audited)
ASSETS			
Non Current Assets			
Property, plant and equipment	A 9	18,598	18,518
Right-of-use-assets		807	948
Goodwill on consolidation		2,322	2,322
Lease receivables		211	42
Other investment		690	690
		<u>22,628</u>	<u>22,520</u>
Current Assets			
Inventories		16,548	15,362
Trade and other receivables		21,903	16,694
Lease receivables		102	54
Tax recoverable		635	375
Fixed deposits with licensed banks		8,322	7,149
Cash and bank balances		9,469	2,990
		<u>56,979</u>	<u>42,624</u>
Non-current assets classified as held for sale		<u>424,864</u>	<u>387,302</u>
TOTAL ASSETS		<u>504,471</u>	<u>452,446</u>
EQUITY AND LIABILITIES			
Share capital		101,285	- *
Capital reserve		-	101,115
Reserves		23,666	21,388
TOTAL EQUITY		<u>124,951</u>	<u>122,503</u>
Non Current Liabilities			
Finance lease liabilities		247	93
Right-of-use lease liabilities		696	838
Deferred tax liabilities		818	818
		<u>1,761</u>	<u>1,749</u>
Current Liabilities			
Trade and other payables		17,078	12,178
Amount owing to directors		-	124
Finance lease liabilities		202	191
Right-of-use lease liabilities		180	158
Short term borrowings	B8	7,548	3,649
Tax liabilities		291	33
		<u>25,299</u>	<u>16,333</u>
Non-current other payables classified as held for sale		<u>352,460</u>	<u>311,861</u>
TOTAL CURRENT LIABILITIES		<u>377,759</u>	<u>328,194</u>
TOTAL LIABILITIES		<u>379,520</u>	<u>329,943</u>
TOTAL EQUITY AND LIABILITIES		<u>504,471</u>	<u>452,446</u>
Net Assets Per Share Attributable to			
Owners of the Parent (RM)		<u>1.15</u>	<u>1.13</u>

Note:

The comparative figures in the consolidated statement of financial position are presented as if the reorganisation had been affected from the beginning of the earliest period presented. Please refer to Note 1 Basis of Preparation.

* Share capital of RM2

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial period ended 30 June 2020.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2021
(The figures have not been audited)

	<-----Attributable to Shareholders of the Company----->						Total Equity RM '000
	<-----Non-Distributable Reserves----->				Distributable Reserve		
	Share Capital RM '000	Warrant reserve RM '000	Capital reserve RM '000	Merger reserve RM '000	Retained Earnings RM '000	Non- Controlling Interest RM'000	
Balance as at 1 July 2019	101,115	5,885	-	-	16,320	-	123,320
Total comprehensive income/(expense) for the period	-	-			4,386		4,386
Dividend Paid					(4,280)		(4,280)
Balance as at 31 March 2020	101,115	5,885	-	-	16,426	-	123,426
Balance as at 1 July 2020	*	*	107,000		15,486	-	122,486
Issue of shares pursuant to the reorganisation	101,281	5,885	(107,000)	(166)			-
Issue of shares from conversion of warrants	4	(4)					
Total comprehensive income/(expense) for the period	-	-			2,465	-	2,465
Balance as at 31 March 2021	101,285	5,881	-	(166)	17,951	-	124,951

Note:

* Share capital of RM2

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial period ended 30 June 2020.

TOYO VENTURES HOLDINGS BERHAD
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2021**
(The figures have not been audited)

	Current period to date ended 31/03/2021 RM'000	Corresponding period to date ended 31/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,484	5,277
Adjustments for:		
Non-cash items	635	(1,918)
Interest expense	313	381
Operating profit before working capital changes	<u>4,432</u>	<u>3,740</u>
Changes in working capital:		
Net changes in current assets	(9,522)	3,145
Net changes in current liabilities	7,884	(3,780)
Cash generated from/(in) operations	<u>2,794</u>	<u>3,105</u>
Tax refunded	1	219
Tax paid	(1,026)	(1,241)
Interest paid	(313)	(381)
Translation reserve	-	-
Net cash from/(used in) operating activities	<u>1,456</u>	<u>1,702</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	226	4,204
Acquisition of property, plant and equipment *	(1,014)	(616)
Development expenditure	(37,563)	(10,358)
Net cash used from/(in) investing activities	<u>(38,351)</u>	<u>(6,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional / (Repayment) of borrowings	(443)	998
Advances from other payables	40,599	8,174
Proceeds from conversion of warrants to ordinary shares	4	-
Dividend to owners	-	(4,280)
Addition/(Payment) from/(to) lease liabilities	45	(30)
Net cash (used in)/from financing activities	<u>40,205</u>	<u>4,862</u>
Net increase in cash and cash equivalents	<u>3,310</u>	<u>(206)</u>
Cash and cash equivalents at beginning of financial year	<u>9,409</u>	<u>10,681</u>
Cash and cash equivalents at end of financial quarter	<u>12,719</u>	<u>10,475</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	9,469	5,304
Fixed deposits with licensed banks	8,322	6,155
Bank overdraft	(5,072)	(984)
	<u>12,719</u>	<u>10,475</u>
Less: Fixed deposit pledged with a licensed bank	-	-
	<u>12,719</u>	<u>10,475</u>
* Acquisition of property, plant and equipment during the financial quarter are financed by:		
	31/03/2021 RM'000	31/03/2020 RM'000
Mode of payments:		
Cash	881	616
Hire Purchase	133	-
	<u>1,014</u>	<u>616</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the period ended 30 June 2020

TOYO VENTURES HOLDINGS BERHAD

Company No. 202001001322 (1357641-P)

(Incorporated in Malaysia)

QUARTERLY REPORT

FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 (INTERIM FINANCIAL REPORTING)

A1. Basic of Preparation

The unaudited interim financial statements, for the period ended 31 March 2021, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial period ended 30 June 2020. For the periods up to and including the period ended 30 June 2020, the Group prepared its financial statement in accordance with the Malaysian Financial Reporting Standards (“MFRS”).

The 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 period ended 30 June 2020.

On 26 October 2020, Toyo Ventures Holdings (“TVHB” or “the Company”) completed the Proposed Share Exchange as part of the Proposed Internal Reorganisation (as detailed in Circular to shareholders on 15 June 2020) by way of Members’ Scheme of Arrangement under Section 366 of the Companies Act 2016.

On completion of the Proposed Share Exchange the Company assumes the listing status of Toyo Ink Group Berhad (“TIGB”) and TIGB became a wholly owned subsidiary of the Company. The share exchange is a reorganisation and does not result in any change of economic substance of the group. Accordingly, the comparative figures in the consolidated statement of comprehensive income are presented as if the reorganisation had been affected from the beginning of the earliest period presented.

A2. Changes in Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”). The significant accounting policies adopted in preparing the interim financial statement are consistent with those of the audited financial statement for the period ended 30 June 2020.

The following are the accounting standards, amendments and interpretations of the MFRS that have been issued by the Malaysian Accounting Standards Board (“MASB”).

TOYO VENTURES HOLDINGS BERHAD

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A2. Changes in Accounting Policies (continued)

- Amendments to MFRS 3 Business Combinations – Definition of a Business
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 139 Financial Instruments: Recognition and Measurements
- Amendments to MFRS 7 Financial Instruments: Disclosure – Interest Rate Benchmark Reform*
- Amendments to MFRS 16 Covid-19-Related Rent Concessions

The adoption of the above amendments to published standards and interpretations does not give rise to any material effects to the Group.

A3. Auditors' Report

The auditors' report of the preceding annual financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A6. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim period which have a material effect on the current interim period.

A7. Issuance or Repayment of Debts and Equity Securities

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current quarter under review.

On 2 February 2021, 2,500 new ordinary shares in TVHB were issued at RM1.50 each and listed pursuant to the exercise of warrants 2018/2023 by the warrant holder.

A8. Dividend Paid

No dividend was paid in the current quarter.

A9. Valuation of Property, Plant and Equipment

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

The Group did not carry out any valuation on its property, plant and equipment during the current interim period.

TOYO VENTURES HOLDINGS BERHAD

Company No. 202001001322 (1357641-P)

A10. Segmental Reporting

Current Year To Date 31 March 2021

	Manufacturing RM'000	Trading and investment holding RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	41,760	19,140	-	-	60,900
Inter-segment	1,361	83	-	(1,444)	-
Total revenue	<u>43,121</u>	<u>19,223</u>	-	<u>(1,444)</u>	<u>60,900</u>
Results					
Segment results	2,668	1,067	-	-	3,735
Finance costs	(238)	(11)	-	-	(249)
Share of results in associate					-
Taxation					(1,021)
Non-controlling interest					-
Net profit for the financial period					<u>2,465</u>
Other Information					
Segment assets	47,501	29,153	-		76,655
Associate					-
Unallocated corporate assets					427,818
Consolidated total assets					<u>504,473</u>
Segment liabilities	9,095	7,269	-		16,364
Unallocated corporate liabilities					363,156
Consolidated total liabilities					<u>379,520</u>
Capital expenditure	732	282	-	-	1,014
Depreciation/ amortization	710	114	-	-	824

A10. Segmental Reporting (continued)

Corresponding Year To Date 31 March 2020

	Manufacturing RM'000	Trading and investment holding RM'000	Discontinued Operation RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	43,342	19,510	-	-	62,852
Inter-segment	3,716	2,572	-	(6,288)	-
Total revenue	47,058	22,082	-	(6,288)	62,852
Results					
Segment results	2,854	2,682	-	-	5,536
Finance costs	(227)	(30)	-	-	(257)
Share of results in associate					(2)
Taxation					(891)
Non-controlling interest					-
Net profit for the financial period					4,386
Other Information					
Segment assets	411,512	25,528	-		437,040
Associate					649
Unallocated corporate assets					2,916
Consolidated total assets					440,605
Segment liabilities	304,111	7,877	-		311,988
Unallocated corporate liabilities					4,364
Consolidated total liabilities					316,352
Capital expenditure	570	46	-	-	616
Depreciation/ amortization	738	206	-	-	944

TOYO VENTURES HOLDINGS BERHAD

Company No. 202001001322 (1357641-P)

A10. Segmental Reporting (continued)**Geographical Segments**

The Group's continuing operations are mainly production and sale of products in two principal geographical areas, Malaysia and Indonesia.

	Revenue from external customers by location of customers		Segment assets by location of assets		Capital expenditure by location of assets	
	YTD	YTD	YTD	YTD	YTD	YTD
	31 Mar	31 Mar	31 Mar	31 Mar	31 Mar	31 Mar
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Continuing operations						
Malaysia	60,900	62,852	79,715	74,167	1,014	616
Vietnam	-	-	424,758	366,438	-	-
	<u>60,900</u>	<u>62,852</u>	<u>504,473</u>	<u>440,605</u>	<u>1,014</u>	<u>616</u>

A11. Subsequent Material Events

Save as disclosed below, there is no material events have arisen between the end of the reporting period and the date of issuance of this quarterly report, which will substantially affect the results of the Group.

A12. Changes in the Composition of the Group

There were no material changes in the composition of the Group in the current financial quarter under review.

A13. Contingent Liabilities or Contingent Assets

Save as disclosed below, there were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at the end of the current quarter.

The contingent liabilities pertaining to the corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries were RM13,480,000 as at 31 March 2021 (31 March 2020 : RM13,480,000).

A14. Capital Commitments

	9 months ended 31 Mar 2021 RM'000	9 months ended 31 Mar 2020 RM'000
Approved and contracted but not provided for:		
- Investment Property	-	-
- Property, Plant & Machinery	-	-
Total	<u>-</u>	<u>-</u>

TOYO VENTURES HOLDINGS BERHAD

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**B1. Review of Performance**

For the third financial quarter ended 31 March 2021 (“3Q 2021”), the Group registered a higher revenue of RM20.93 million as compared to RM 19.26 million in the previous corresponding quarter ended 31 March 2020 (“3Q 2020”), an increased of 8.7% (RM 1.67 million).

Profit before tax was RM 0.57 million for 3Q 2021 compared to RM 0.76 million for 3Q 2020. The lower profit before tax for the current year quarter ended mainly due to the gain from the disposal of investment property in the previous corresponding quarter.

B2 Review of Performance by segment

	Individual 31/03/2021	Quarter 31/03/2020	Cumulative 31/03/2021	Quarter 31/03/2020
External Revenue By Segment :	RM'000	RM'000	RM'000	RM'000
Manufacturing	15,314	15,565	44,300	43,342
Trading	5,613	3,691	16,600	19,510
	20,927	19,256	60,900	62,852

The manufacturing segment contributed revenue of RM 15.31 million for 3Q 2021 compared to RM15.56 million in 3Q 2020. The lower revenue in the current quarter compared to the previous year corresponding quarter were mainly due to lower demand from ink division and Edm-tools cut wires division.

The trading segment contributed revenue of RM 5.61 million for 3Q 2021 compared to RM 3.69 million in the previous year corresponding quarter. Higher revenue for the current quarter compared to the previous year corresponding quarter was due to higher sales achieved in sales and distribution of electrical discharge machining tools (EDM), machinery and machine parts division.

B3. Prospects

In view of the on-going Covid-19 situation and the uncertain market conditions, the Board of Directors expect the Group’s prospect to be challenging but remain confident of achieving encouraging performance for the financial year ending 30 June 2021.

B4. Statement of the Board of Directors’ Opinion

Not applicable as the Group did not announce or publish any revenue or profit estimate, forecast, projection or internal target for the financial year.

B5. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

TOYO VENTURES HOLDINGS BERHAD

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B6. Taxation

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	Current	Corresponding	Current	Corresponding
	quarter	quarter	year to date	year to date
	ended	ended	ended	ended
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Malaysia Income Tax				
-Provision for the period	(254)	(295)	(1,019)	(891)
Deferred Taxation				
-Provision for the period	-	-	-	-
	<u>(254)</u>	<u>(295)</u>	<u>(1,019)</u>	<u>(891)</u>

B7. Status of Corporate Proposals

There are no outstanding corporate proposed announced but not completed as at the date of this report.

On 9 April 2021, the Company completed the issuance of the first tranche of the private placement comprised of 6,450,000 new ordinary shares at an issue price of RM2.35 per share.

On 16 April 2021, the Company completed the issuance of the second and final tranche of the private placement comprised 4,250,000 new ordinary shares at an issue price of RM2.35 per share.

The total gross proceeds raised from the above private placement amounted to RM25.15 million.

B8. Borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	31/03/2021	31/03/2020
	RM'000	RM'000
Short term borrowings		
Secured		
Bankers' acceptances	2,476	3,124
Bank overdrafts	5,072	984
	<u>7,548</u>	<u>4,108</u>
Total	<u>7,548</u>	<u>4,108</u>

B9. Material Litigations

There were no material litigations as at the date of this quarterly report.

B10. Dividend

The Board of Directors proposes to recommend an interim single tier dividend of 1 sen per ordinary share in respect of financial year ending 30 June 2021.

B11. Disclosures of derivatives

There were no outstanding derivatives as at 31 March 2021.

TOYO VENTURES HOLDINGS BERHAD

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B12. Gain/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter ended 31 March 2021.

B13. Notes to the condensed consolidated Income Statement

Profit before taxation is arrived at after (charging)/crediting the following items:

	Individual quarter ended 31/03/2021 RM'000	Cumulative quarter ended 31/03/2021 RM'000
Other income	360	1,127
Interest expense	(87)	(249)
Depreciation of property, plant and equipment	(346)	(824)
Foreign exchange (loss)/ gain	159	282

B14. Earnings Per Share

- i. Basic earnings per share is calculated by dividing the profit/ (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL Current quarter ended 31/03/2021 RM'000	QUARTER Corresponding quarter ended 31/03/2020 RM'000	CUMULATIVE Current year to date ended 31/03/2021 RM'000	QUARTER Corresponding year to date ended 31/03/2020 RM'000
Profit / (Loss) attributable to shareholders	320	468	2,465	4,386
Weighted average number of ordinary shares in issue	107,003	107,000	107,003	107,000
Basic earnings per share (sen)	0.30	0.44	2.30	4.10

- ii. The Company does not have any dilutive potential ordinary shares as the fair value of the ordinary shares during the period less than the exercise price. Accordingly, the diluted earnings per share are not presented.

Save as disclosed above, the other items as required under Appendix 9B, Part A Note 16 of the Bursa Listing Requirements are not applicable.

By Order of the Board,

Andrea Huong Jia Mei
Company Secretary

Dated 31 May 2021