

TOYO VENTURES HOLDINGS BERHAD

(Company No.202001001322 (1357641-P))

(Incorporated in Malaysia)

**QUARTERLY REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED
31 DECEMBER 2023**

This Report is dated 21 February 2024

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 FIRST FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended 31/12/2023 RM'000	Corresponding quarter ended 31/12/2022 RM'000	Current period to date ended 31/12/2023 RM'000	Corresponding period to date ended 31/12/2022 RM'000
Revenue		24,786	23,338	24,786	23,338
Cost of sales		(19,542)	(18,222)	(19,542)	(18,222)
Gross profit		<u>5,244</u>	<u>5,116</u>	<u>5,244</u>	<u>5,116</u>
Interest income		8	7	8	7
Other operating income		1,558	55	1,558	55
Operating expenses		(5,270)	(5,986)	(5,270)	(5,986)
Finance cost		(154)	(133)	(154)	(133)
Profit/(Loss) before taxation	B13	<u>1,386</u>	<u>(941)</u>	<u>1,386</u>	<u>(941)</u>
Taxation	B6	<u>(380)</u>	<u>(302)</u>	<u>(380)</u>	<u>(302)</u>
Profit/(Loss) for the period		<u><u>1,006</u></u>	<u><u>(1,243)</u></u>	<u><u>1,006</u></u>	<u><u>(1,243)</u></u>
Profit/(Loss) Attributable to:					
Owners of the Company		<u><u>1,006</u></u>	<u><u>(1,243)</u></u>	<u><u>1,006</u></u>	<u><u>(1,243)</u></u>
Basic earnings/(loss)					
per ordinary share (sen)	B14	<u>0.81</u>	<u>(1.06)</u>	<u>0.81</u>	<u>(1.06)</u>
Diluted earnings					
per ordinary share (sen)	B14	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note :

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 September 2023.

TOYO VENTURES HOLDINGS BERHAD

(Company No.202001001322 (1357641-P))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		As At 31/12/2023 RM'000	As At 30/09/2023 RM'000 (Audited)
ASSETS	Note		
Non-Current Assets			
Property, plant and equipment	A9	21,003	21,162
Power plant development project		317,582	316,344
		338,585	337,506
Current Assets			
Inventories		15,565	18,743
Trade and other receivables		131,842	128,556
Tax recoverable		917	913
Fixed deposits with licensed banks		943	916
Cash and bank balances		87,255	87,199
		236,522	236,327
Total Assets		<u>575,107</u>	<u>573,833</u>
EQUITY			
Share capital	A7	140,848	131,605
Other reserve		(740)	7,530
Retained earnings		2,685	1,679
Total equity		<u>142,793</u>	<u>140,814</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		397	438
Loan and borrowings	B8	3,498	3,715
Other payables		408,068	406,359
Deferred tax liabilities		1,012	1,012
		412,975	411,524
Current Liabilities			
Lease liabilities		269	347
Loan and borrowings	B8	3,833	5,454
Trade and other payables		15,064	15,449
Tax payable		173	-
Contract liabilities		-	245
		19,339	21,495
Total Liabilities		<u>432,314</u>	<u>433,019</u>
Total Equity and Liabilities		<u>575,107</u>	<u>573,833</u>
Net Assets Per Share Attributable to Owners of the Company (RM)		<u>1.15</u>	<u>1.20</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 September 2023.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	<--Attributable to Shareholders of the Company-->			
	<---Non-Distributable Reserves--->		Distributable Reserve	
	Share Capital RM '000	Other reserve RM'000	Retained earnings RM '000	Total Equity RM '000
At 1 October 2022	131,605	6,830	2,559	140,994
Loss for the period	-	-	(1,243)	(1,243)
Exchange differences on translation of foreign operations	-	(1,163)	-	(1,163)
Total comprehensive expense for the period	-	(1,163)	(1,243)	(2,406)
At 31 December 2022	<u>131,605</u>	<u>5,667</u>	<u>1,316</u>	<u>138,588</u>
At 1 October 2023	131,605	7,530	1,679	140,814
Transaction with the owners:				
Issuance of ordinary shares pursuant to - Exercise of warrant B	9,243	-	-	9,243
Profit for the period	-	-	1,006	1,006
Exchange difference on translation of foreign operations	-	(8,270)	-	(8,270)
Total comprehensive income/(expense) for the period	-	(8,270)	1,006	(7,264)
At 31 December 2023	<u>140,848</u>	<u>(740)</u>	<u>2,685</u>	<u>142,793</u>

Note :

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 September 2023.

TOYO VENTURES HOLDINGS BERHAD

(Company No.202001001322 (1357641-P))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

	Current period to date ended 31/12/2023 RM'000	Corresponding period to date ended 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,386	(941)
Adjustments for:		
Non-cash items	-	(1)
Bad debts written off	-	245
Depreciation of property, plant and equipment	431	381
Interest expense	154	133
Interest income	(8)	(7)
Inventories written off	8	-
Property, plant and equipment written off	2	-
Unrealised (gain)/loss on foreign exchange	(1,008)	763
Operating profit before working capital changes	<u>965</u>	<u>573</u>
Changes in working capital:		
Decrease/(Increase) in inventories	3,170	(1,018)
(Increase) in receivables	(7,252)	(1,765)
Increase/(Decrease) in payables	4,352	(3,083)
Cash generated from/(used in) operations	<u>1,235</u>	<u>(5,293)</u>
Tax paid, net of refunds	(211)	(224)
Net cash generated from/(used in) operating activities	<u>1,024</u>	<u>(5,517)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(275)	(93)
Acquisition of power plant development project	(2,505)	(1,077)
Interest received	8	7
Net cash used in investing activities	<u>(2,772)</u>	<u>(1,163)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in banker's acceptance	408	(997)
Proceeds from issuance of ordinary shares	9,243	-
Interest paid	(154)	(133)
Placement of fixed deposits with licensed banks	(26)	(16)
Repayment of lease liabilities	(118)	(124)
Repayment of term loans	(212)	(187)
Advances from non-current other payables	1,709	75,110
Net cash generated from financing activities	<u>10,850</u>	<u>73,653</u>
Net increase in cash and cash equivalents	<u>9,102</u>	<u>66,973</u>
Effect of foreign exchange translation	(7,012)	1,348
Cash and cash equivalents at beginning of the financial quarter	<u>85,165</u>	<u>18,191</u>
Cash and cash equivalents at end of the financial quarter	<u><u>87,255</u></u>	<u><u>86,512</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	87,255	87,159
Bank overdraft	-	(647)
	<u><u>87,255</u></u>	<u><u>86,512</u></u>

Note :

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 September 2023.

**QUARTERLY REPORT
FOR THE FIRST FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

NOTES TO THE FINANCIAL REPORT

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

A1. Basis of Preparation

The unaudited interim financial statements, for the period ended 31 December 2023, 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 year ended 30 September 2023. For the periods up to and including the year ended 30 September 2023, 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 year ended 30 September 2023.

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 year ended 30 September 2023.

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

- | | |
|---|--|
| • Amendments to MFRS 3 | Reference to the Conceptual Framework |
| • Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before Intended Use |
| • Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract |
| • Annual Improvements to MFRS Standards 2018 – 2020 | - Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to illustrative Examples accompanying MFRS 16
- Amendments to MFRS 141 |

The adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

A3. Auditors' Report

The auditors' report of the preceding financial statements for the year ended 30 September 2023 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

Issue of shares and debentures

During the current quarter, the Company increased its issued and paid-up share capital from RM131,605,212 to RM140,848,512 by way of issuance of 6,162,200 new ordinary shares pursuant to exercise of Warrant B at the exercise price of RM1.50 per warrant for a cash consideration of RM9,243,300.

The new shares converted from the Warrant B rank pari passu in all respects with the existing shares in the Company.

There was no issuance of debentures during the current quarter.

Warrant 2020/2023 ("Warrant B")

The movements of the warrants during the financial quarter are as follows:

Date of issue	Exercise price	Number of Warrant B			
		At 1.10.2023	Exercised	Lapsed	At 31.12.2023
23 October 2020	RM1.50	53,497,495	(6,162,200)	(47,335,295)	-

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A7. Issuance or Repayment of Debts and Equity Securities (cont'd)**Warrant 2020/2023 (“Warrant B”) (cont'd)**

On 6 November 2023, a total of 6,162,200 units of the outstanding Warrant B of 53,497,495 were converted into new shares at an exercise price of RM1.50 per warrant and proceeds amounting to RM9,243,300 was fully credited to the share capital account of the Company in accordance with the Companies Act 2016 in Malaysia. Any warrants not exercised by the expiry date of 6 November 2023 ceased to be valid for any purpose.

A8. Dividend Paid

No dividend was paid during 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 audited financial statements.

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

A10. Segmental Reporting**Current Period To Date 31 December 2023**

	Manufacturing	Trading and investment holding	Energy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	13,649	11,137	-	-	24,786
Inter-segment	-	391	-	(391)	-
Total revenue	13,649	11,528	-	(391)	24,786
Results					
Segment results	413	229	890	-	1,532
Interest income	4	3	1	-	8
Finance cost	(68)	(86)	-	-	(154)
Taxation	(110)	(270)	-	-	(380)
Net profit/(loss) for the financial period	239	(124)	891	-	1,006

TOYO VENTURES HOLDINGS BERHAD

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A10. Segmental Reporting (cont'd)**Current Period To Date 31 December 2023 (cont'd)**

	Manufacturing	Trading and investment holding	Energy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Other Information					
Segment assets	46,084	701,065	220,975	(403,607)	564,517
Unallocated corporate assets					10,590
Consolidated total assets					<u>575,107</u>
Segment liabilities	14,740	424,809	52,860	(68,219)	424,190
Unallocated corporate liabilities					8,124
Consolidated total liabilities					<u>432,314</u>
Capital expenditure	108	167	-	-	275
Depreciation/ amortization	228	202	1	-	431

Corresponding Period To Date 31 December 2022

	Manufacturing	Trading and investment holding	Energy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	12,599	10,739	-	-	23,338
Inter-segment	-	292	-	(292)	-
Total revenue	<u>12,599</u>	<u>11,031</u>	<u>-</u>	<u>(292)</u>	<u>23,338</u>
Results					
Segment results	(78)	(4,985)	5,606	(1,358)	(815)
Interest income	-	7	-	-	7
Finance cost	(77)	(64)	(574)	582	(133)
Taxation	(89)	(213)	-	-	(302)
Net profit/(loss) for the financial period	<u>(244)</u>	<u>(5,255)</u>	<u>5,032</u>	<u>(776)</u>	<u>(1,243)</u>

A10. Segmental Reporting (continued)

Corresponding Period To Date 31 December 2022 (cont'd)

	Manufacturing	Trading and investment holding	Energy	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Other Information					
Segment assets	49,424	776,571	229,973	(493,903)	562,065
Unallocated corporate assets					10,497
Consolidated total assets					<u>572,562</u>
Segment liabilities	19,467	514,862	134,825	(241,452)	427,702
Unallocated corporate liabilities					6,272
Consolidated total liabilities					<u>433,974</u>
Capital expenditure	73	20	-	-	93
Depreciation/ amortization	217	163	1	-	381

Geographical Segments

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

	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 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Continuing operations						
Malaysia	24,786	23,338	354,132	342,589	275	93
Vietnam	-	-	220,975	229,973	-	-
	<u>24,786</u>	<u>23,338</u>	<u>575,107</u>	<u>572,562</u>	<u>275</u>	<u>93</u>

A11. Subsequent Material Events

- (i) On 27 December 2022, the Company proposes to settle RM354,000,000 (“**Settlement Sum**”) out of the total outstanding debts as at 22 December 2022 of RM355,154,481 owing to non-current other payables related to a substantial shareholder through the issuance of 295,000,000 units of five (5)-year, zero coupon irredeemable convertible unsecured loan stocks (“**ICULS**”) at RM1.20 each with an aggregate nominal value of RM354,000,000 (“**Proposed Settlement**”).

This Proposed Settlement has been approved by Bursa Securities vide its letter dated 8 November 2023 and has been approved by the shareholders at an Extraordinary General Meeting (“**EGM**”) held on 13 December 2023. However, the exercise is yet to complete as of the date of this interim financial statements.

- (ii) On 7 September 2023, the Company proposes to undertake a proposed establishment of an employees’ share scheme (“**Scheme**”) of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Scheme to the eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) (“**Proposed ESS**”). This Proposed ESS has been approved by Bursa Securities vide its letter dated 4 October 2023 and has been approved by the shareholders at an EGM held on 13 December 2023.

The Proposed ESS shall be in force for a duration of 5 years commencing from the effective date of implementation of the Proposed ESS, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements in relation to the Proposed ESS (“**Effective Date**”). The Proposed ESS may be extended for a further period of up to 5 years at the discretion of the Board upon the recommendation of the ESS Committee, subject to a maximum aggregate of 10 years from the Effective Date. However, the exercise is yet to complete as of the date of this interim financial statements.

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

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.

A14. Capital Commitments

	3 months ended 31/12/2023 RM'000	3 months ended 31/12/2022 RM'000
Approved and contracted but not provided for: Power plant development project	<u>71,806</u>	<u>70,907</u>

TOYO VENTURES HOLDINGS BERHAD

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A14. Capital Commitments (cont'd)

The commitment related to the land lease payment for power plant development project is approximately RM71,806,000 equivalent to VND365.5 billion (31.12.2022 : RM70,907,000 equivalent to VND365.5 billion).

B. ADDITIONAL DISCLOSURES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance**

Group revenue for the 1st quarter ended 31 December 2023 (“1Q-2024”) increased by RM1.45 million or 6.20%, to RM24.79 million compared to the corresponding preceding quarter (“1Q-2023”) of RM23.34 million due to improved sales in the Ink Division and EDM Wire Manufacturing Division.

The group achieved profit before tax (“PBT”) of RM1.38 million in 1Q-2024, a turnaround from loss before tax (“LBT”) of RM0.94 million suffered a year ago in 1Q-2023, due mainly to favourable foreign currency exchange and a significantly reduced administrative expenses by 17.7% in the current quarter.

The group revenue of RM24.79 million was contributed by Toyo Ink Sdn Bhd (“TISB”) RM9.81 million, EDM Tools (M) Sdn Bhd (“ETSB”) RM7.47 million and EDM Machining Solutions (M) Sdn Bhd (“EMSSB”) RM7.51 million.

The group’s operating business units generated 1Q-2024 PBT of RM1.78 million, contributed mainly by EMSSB with RM1.2 million, marginally by TISB RM0.51 million and ETSB slightly passing the breakeven mark.

B2. Comparison with Preceding Quarter’s Results**Quarter ended 31 December 2023 vs 30 September 2023**

	3 months ended 30 December 2023 RM’000	3 months ended 30 September 2023 RM’000
Revenue	<u>24,786</u>	<u>16,357</u>
Profit/(Loss) before tax	<u>1,386</u>	<u>(589)</u>

The group’s quarterly revenue increased significantly by 51.53% from RM16.36 million in the preceding quarter to RM24.79 million in the current quarter. The marked increase was due to the brisk business in the printing and packaging industry, and semi-conductor industry picking up after a weak market sentiment.

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B3. Prospects

Given the group revenue in 1Q-2024 steady increase compared to the preceding quarter 4Q-2023 and corresponding previous quarter 1Q-2023, the Board is cautiously optimistic in achieving better performance for its financial year ending 30 September 2024. The group will continue to expand its business with cost efficiency, better product mix and new business ventures.

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 quarter.

B5. Profit Forecast and Profit Guarantee

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

B6. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended 31/12/2023 RM'000	Corresponding quarter ended 31/12/2022 RM'000	Current period to date ended 31/12/2023 RM'000	Corresponding period to date ended 31/12/2022 RM'000
Tax expenses recognised in profit or loss				
Income tax				
- Current financial period	380	302	380	302

B7. Status of Corporate Proposals

- (i) On 27 December 2022, the Company proposes to settle RM354,000,000 (“**Settlement Sum**”) out of the total outstanding debts as at 22 December 2022 of RM355,154,481 owing to non-current other payables related to a substantial shareholder through the issuance of 295,000,000 units of five (5)-year, zero coupon irredeemable convertible unsecured loan stocks (“**ICULS**”) at RM1.20 each with an aggregate nominal value of RM354,000,000 (“**Proposed Settlement**”).

This Proposed Settlement has been approved by Bursa Securities vide its letter dated 8 November 2023 and has been approved by the shareholders at an Extraordinary General Meeting (“**EGM**”) held on 13 December 2023. However, the exercise is yet to complete as of the date of this interim financial statements.

TOYO VENTURES HOLDINGS BERHAD

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B7. Status of Corporate Proposals (cont'd)

- (ii) On 7 September 2023, the Company proposes to undertake a proposed establishment of an employees' share scheme ("Scheme") of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time during the duration of the Scheme to the eligible directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) ("Proposed ESS"). This Proposed ESS has been approved by Bursa Securities vide its letter dated 4 October 2023 and has been approved by the shareholders at an EGM held on 13 December 2023.

The Proposed ESS shall be in force for a duration of 5 years commencing from the effective date of implementation of the Proposed ESS, which shall be a date following the full compliance with all relevant requirements of the Listing Requirements in relation to the Proposed ESS ("Effective Date"). The Proposed ESS may be extended for a further period of up to 5 years at the discretion of the Board upon the recommendation of the ESS Committee, subject to a maximum aggregate of 10 years from the Effective Date. However, the exercise is yet to complete as of the date of this interim financial statements

B8. Borrowings

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

	31/12/2023	30/09/2023
	RM'000	RM'000
Long term borrowings		
Secured		
Term loans	3,498	3,715
Short term borrowings		
Secured		
Banker's acceptance	2,954	2,546
Bank overdraft	-	2,034
Term loans	879	874
	<u>3,833</u>	<u>5,454</u>
Total	<u>7,331</u>	<u>9,169</u>

TOYO VENTURES HOLDINGS BERHAD

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B9. Litigation

High Court of Malaya Writ of Summons and Statement of Claim No. WA-22NCVC-202-04/2023: K.S. LEE ENERGY LLP (“KSLE”) V TIGB

On 28 April 2023, Toyo Ink Group Berhad (“**TIGB**”), a wholly-owned subsidiary of the Company, had been served with a Writ of Summons and Statement of Claim No. WA-22NCVC-202-04/2023 (“**Suit 1**”) filed by K.S. LEE ENERGY LLP (“**KLSE**”), for the followings:

- (a) the sum of USD10,363,516 being the “Equity Success Fee” and “Debt Success Fee” (“**Success Fee Claim**”) payable to the KLSE under the Project Success Fee Agreement dated 28 January 2018; or
- (b) alternatively, the sum of USD8,839,948 being the professional fees which KLSE would have ordinarily entitled to earn and loss of business opportunity (“**Alternative Claim**”); or
- (c) alternatively, damages on a quantum meruit basis based on Section 71 of the Contracts Act, 1950 to be assessed (“**Quantum Meruit**”).

On 15 June 2023, TIGB filed an Application to refer certain preliminary issues for the determination of the Court, the determination of which will result in a summary disposal of the Suit 1 without having to go to full trial. TIGB’s Application was heard by the Judge on 15 and 21 September 2023.

On 4 October 2023, the High Court of Malaya issued judgment in favour of TIGB and ordered that the action commenced by KSLE be dismissed with costs. The Court also ordered KSLE to pay TIGB a total sum of RM60,000, comprising the followings:

- (a) RM30,000 costs for the action; and
- (b) RM30,000 costs for TIGB’s Application.

On 30 November 2023, KSLE paid RM62,400 including Allocatur Fees of RM2,400 to TIGB’s solicitors.

On 2 November 2023, KSLE lodged an Appeal to the Court of Appeal against the decision of the High Court made on 4 October 2023.

At the Case Management on 31 January 2024, the Registrar directed that KSLE refile its Records of Appeal to match the Court’s prescribed formatting, and fixed the next Case Management on 11 March 2024 for KSLE to update the Court on the Record of Appeal.

The Directors, as advised by TIGB’s solicitors, are of the view that TIGB stand a good chance of success on the defending KSLE’s Appeal

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B9. Litigation (cont'd)

High Court of Malaya Writ of Summons and Statement of Claim No. WA-22NCVC-470-08/2023: PHU MY VINH CONSULTING INVESTMENT & TRADING SERVICE COMPANY LIMITED (“PMV”) V TIGB

On 29 August 2023, TIGB had been served with a Writ of Summons and Statement of Claim No. WA-22NCVC-470-08/2023 (“**Suit 2**”) filed by PHU MY VINH CONSULTING INVESTMENT & TRADING SERVICE COMPANY LIMITED (“**PMV**”), for the followings:

- (a) the sum of USD7,657,150 being the alleged outstanding balance of the consulting fees payable to PMV under an Agreement dated 28 September 2015;
- (b) interest at the rate of 5% per annum on the sum of USD7,657,150 from the date of commencement of this action to the date of full settlement;
- (c) an order that the judgement sums in USD be converted to RM by applying the foreign currency exchange rate of Malayan Banking Berhad at the date of the execution/enforcement of this judgement, if required;
- (d) costs; and
- (e) other reliefs that his Honourable Court deems appropriate and fair.

On 23 October 2023, TIGB filed the following Applications in the High Court:

- (a) an Application to Strike Out the endorsement on the Writ of Summons and Statement of Claim, and for an Order to dismiss the action; and
- (b) an Application for security for costs of RM125,000 to be furnished by PMV to TIGB’s solicitors.

Both Applications were initially fixed for hearing before the Judge on 24 January 2024.

However, PMV reduced its claim from USD7,657,150 to USD3,190,975 in Affidavit in Reply affirmed by Nguyen Hung Viet on 12 December 2023.

In respect of Application (b) the security for costs, PMV and TIGB had agreed to a reduced security for costs of RM50,000 payable by PMV, on the basis of its reduced claim.

In respect of Application (a) the Striking Out Application, PMV had sought permission from the Court to file a further affidavit in reply. The Court allowed PMV’s request to file a further affidavit in reply by 12 January 2024, and directed that TIGB file its affidavit in reply by 2 February 2024.

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B9. Litigation (cont'd)

High Court of Malaya Writ of Summons and Statement of Claim No. WA-22NCVC-470-08/2023: PHU MY VINH CONSULTING INVESTMENT & TRADING SERVICE COMPANY LIMITED (“PMV”) V TIGB (cont'd)

At the hearing on 24 January 2024, the outcome are as follows:

1. Security for Cost

A Consent Order was recorded before the Judge. In summary, under the terms of the Order, PMV must pay security of RM50,000 to TIGB’S solicitors within 7 days, failing which their action will be struck out without liberty to file afresh.

The amount was paid by PMV on 30 January 2024.

2. Striking Out Application

i) Hearing was fixed on 23 May 2024; and

ii) Written Submissions to be filed by 1 April 2024, and Reply Submissions by 22 April 2024.

The Directors, as advised by TIGB’s solicitors, are of the opinion that the Suit 2 will not have any impact to the Group as TIGB has paid all sum as agreed under the PMV Agreement and no amount is owing to PMV.

B10. Dividend

The Board had recommended a first and final single tier dividend of 1.8 sen per ordinary share in respect of the financial year ended 30 September 2023 to be paid on 16 February 2024.

B11. Disclosures of derivatives

There were no outstanding derivatives as at 31 December 2023.

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 December 2023.

B13. Notes to the Condensed Consolidated Income Statement

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended	Corresponding quarter ended	Current period to date ended	Corresponding period to date ended
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	245	-	245
Depreciation of property, plant and equipment	431	381	431	381
Interest expense	154	133	154	133
Interest income	(8)	(7)	(8)	(7)
Inventories written off	8	-	8	-
Property, plant and equipment written off	2	-	2	-
Unrealised (gain)/loss on foreign exchange	(1,008)	763	(1,008)	763

B14. Basic Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter ended	Corresponding quarter ended	Current period to date ended	Corresponding period to date ended
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the Company	1,006	(1,243)	1,006	(1,243)
Weighted average number of ordinary shares in issue	123,864	117,703	123,864	117,703
Basic earnings/(loss) per share (sen)	0.81	(1.06)	0.81	(1.06)

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

By Order of the Board,

Andrea Huong Jia Mei
Company Secretary

Dated 21 February 2024