

**TOYO VENTURES HOLDINGS BERHAD**

(Company No.202001001322 (1357641-P))

(Incorporated in Malaysia)

**QUARTERLY REPORT  
FOR THE THIRD FINANCIAL QUARTER ENDED  
30 JUNE 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 THIRD FINANCIAL QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current quarter ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding quarter ended <b>30.06.2023</b> <b>RM'000</b>	Current period to date ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding period to date ended <b>30.06.2023</b> <b>RM'000</b>
Revenue		19,405	19,975	62,928	65,139
Cost of sales		(15,384)	(15,295)	(49,711)	(50,078)
Gross profit		<u>4,021</u>	<u>4,680</u>	<u>13,217</u>	<u>15,061</u>
Interest income		13	2	30	12
Other operating income		2,172	2,511	6,045	2,895
Operating expenses		(6,912)	(4,669)	(31,278)	(14,694)
Other expenses		-	-	-	-
Finance cost	B13	(237)	(137)	(523)	(484)
(Loss)/Profit before taxation	B14	<u>(943)</u>	<u>2,387</u>	<u>(12,509)</u>	<u>2,790</u>
Taxation	B6	<u>1</u>	<u>(393)</u>	<u>(411)</u>	<u>(1,051)</u>
(Loss)/Profit for the period		<u><u>(942)</u></u>	<u><u>1,994</u></u>	<u><u>(12,920)</u></u>	<u><u>1,739</u></u>
<b>(Loss)/Profit Attributable to Owners of the Company</b>		<u><u>(942)</u></u>	<u><u>1,994</u></u>	<u><u>(12,920)</u></u>	<u><u>1,739</u></u>
<b>Basic (loss)/earnings:</b>					
<b>per ordinary share (sen)</b>	B15	<u>(0.71)</u>	<u>1.69</u>	<u>(9.72)</u>	<u>1.48</u>
<b>Diluted earnings</b>					
<b>per ordinary share (sen)</b>	B15	<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 30 JUNE 2024**

	Note	<b>As At 30.06.2024 RM'000</b>	<b>As At 30.09.2023 RM'000 (Audited)</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A9	20,841	21,162
Prepayment		900	-
Power plant development project		415,222	316,344
		436,963	337,506
<b>Current Assets</b>			
Inventories		17,239	18,743
Trade and other receivables		124,444	128,556
Tax recoverable		1,088	913
Fixed deposits with licensed banks		2,463	916
Cash and bank balances		653,208	87,199
		798,442	236,327
<b>Total Assets</b>		<b>1,235,405</b>	<b>573,833</b>
<b>EQUITY</b>			
Share capital	A7	153,385	131,605
Other reserves		348,165	7,530
(Accumulated losses)/Retained earnings		(13,471)	1,679
<b>Total equity</b>		<b>488,079</b>	<b>140,814</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities		253	438
Loan and borrowings	B8	3,851	3,715
Other payables		711,599	406,359
Deferred tax liabilities		1,012	1,012
		716,715	411,524
<b>Current Liabilities</b>			
Lease liabilities		244	347
Loan and borrowings	B8	10,088	5,454
Trade and other payables		20,349	15,449
Tax payable		(70)	-
Contract liabilities		-	245
		30,611	21,495
<b>Total Liabilities</b>		<b>747,326</b>	<b>433,019</b>
<b>Total Equity and Liabilities</b>		<b>1,235,405</b>	<b>573,833</b>
Net Assets Per Share Attributable to Owners of the Company (RM)		3.67	1.20

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 THIRD FINANCIAL QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

	<-----Attributable to Owners of the Company----->					
	-----Non-Distributable Reserves-----			Distributable Reserve		
	Share Capital RM '000	ICULS Equity RM '000	Exchange Reserve RM'000	Share Option Reserve RM'000	Retained Earnings/ (Accumulated Loss) RM '000	Total Equity RM '000
<b>At 1 October 2022</b>	131,605	-	6,830	-	2,559	140,994
Loss for the period	-	-	-	-	1,739	1,739
Exchange differences on translation of foreign operations	-	-	1,989	-	-	1,989
Total comprehensive loss for the period	-	-	1,989	-	1,739	3,728
Transaction with the owners:						
Dividend paid	-	-	-	-	(1,766)	(1,766)
<b>At 30 June 2023</b>	131,605	-	8,819	-	2,532	142,956
<b>At 1 October 2023</b>	131,605	-	7,530	-	1,679	140,814
Loss for the period	-	-	-	-	(12,920)	(12,920)
Exchange difference on translation of foreign operations	-	-	(11,879)	-	-	(11,879)
Total comprehensive loss for the period	-	-	(11,879)	-	(12,920)	(24,799)
Transaction with owners:						
Issuance of ordinary shares pursuant to :						
- Exercise of Warrant B	9,243	-	-	-	-	9,243
- Exercise of Share Grant	12,487	-	-	-	-	12,487
- Exercise of Employee Share Option	50	-	-	(5)	-	45
- Share Option issued	-	-	-	1,058	-	1,058
- Issuance of ICULS	-	351,461	-	-	-	351,461
Dividend paid	-	-	-	-	(2,230)	(2,230)
	21,780	351,461	-	1,053	(2,230)	372,064
<b>At 30 June 2024</b>	153,385	351,461	(4,349)	1,053	(13,471)	488,079

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 THIRD FINANCIAL QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

	<b>Current period to date ended 30.06.2024 RM'000</b>	<b>Corresponding period to date ended 30.06.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(12,509)	2,790
Adjustments for:		
Depreciation of property, plant and equipment	1,319	1,169
Interest expenses	523	484
Interest income	(30)	(12)
Reversal of impairment loss on receivables	(56)	-
Property, plant and equipment written off	2	44
Share grant expenses	12,487	-
Employee share option expenses	1,058	-
(Gain)/Loss on disposal of subsidiary	(64)	-
Loss on disposal of other investments	-	370
Loss on winding up of subsidiary	67	-
Unrealised gain on foreign exchange	(5,121)	(2,627)
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,324)</b>	<b>2,218</b>
<b>Changes in working capital:</b>		
Decrease in inventories	1,504	3,978
(Increase)/Decrease in receivables	(1,797)	1,485
Increase/(Decrease) in payables	14,686	(9,836)
<b>Cash generated from/(used in) operations</b>	<b>12,069</b>	<b>(2,155)</b>
Tax paid, net of refunds	(657)	(763)
<b>Net cash generated from/(used in) operating activities</b>	<b>11,412</b>	<b>(2,918)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,000)	(698)
Acquisition of power plant development project	(8,848)	(2,341)
Proceeds from disposal of other investment	-	320
Interest received	1	-
<b>Net cash used in investing activities</b>	<b>(9,847)</b>	<b>(2,719)</b>

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.

**TOYO VENTURES HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 30 JUNE 2024 (CONT'D)**

(The figures have not been audited)

	<b>Current period to date ended 30.06.2024 RM'000</b>	<b>Corresponding period to date ended 30.06.2023 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net changes in banker's acceptance	1,887	(2,652)
Proceeds from issuance of ordinary shares	9,243	-
Interest paid	(289)	-
Dividends paid	(2,230)	(1,766)
Placement of fixed deposits with licensed banks	(26)	-
Repayment of lease liabilities	(287)	(348)
Repayment of term loans	(602)	(572)
Share option proceeds	45	-
Issuance of ICULS	351,461	-
Advances from non-current other payables	213,170	75,538
<b>Net cash generated from financing activities</b>	<b>572,372</b>	<b>70,200</b>
<b>Net increase in cash and cash equivalents</b>	<b>573,937</b>	<b>64,563</b>
Effect of foreign exchange translation	(8,876)	4,270
<b>Cash and cash equivalents at beginning of the interim period</b>	<b>85,165</b>	<b>18,191</b>
<b>Cash and cash equivalents at end of the interim period</b>	<b>650,226</b>	<b>87,024</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	653,208	89,113
Short term fixed deposit	1,521	-
Bank overdraft	(4,503)	(2,089)
	<b>650,226</b>	<b>87,024</b>

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.

## **TOYO VENTURES HOLDINGS BERHAD**

Company No. 202001001322 (1357641-P)  
(Incorporated in Malaysia)

### **QUARTERLY REPORT FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2024**

#### **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 March 2024, 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<br>- Amendments to MFRS 9<br>- Amendments to illustrative Examples accompanying MFRS 16<br>- 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.

## **TOYO VENTURES HOLDINGS BERHAD**

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### **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. Debts and Equity Securities**

#### **Issue of shares and debentures**

During the interim period, the Company increased its issued and paid-up share capital from RM131,604,937 to RM153,385,144 as follows:

- i. On 6 November 2023, issuance of 6,162,200 new ordinary shares pursuant to exercise of Warrant B, at the exercise price of RM1.50 per warrant, for cash consideration of RM9,243,300;
- ii. On 15 March 2024, issuance of 9,000,000 new ordinary shares of RM1.3874 each, to executive directors at no payment, by deducting the sum of RM12,486,600.00 from the Profit and Loss Account by way of otherwise than cash, in respect of their applications to exercise their Share Grants offered under the Employees' Share Scheme ("ESS"); and
- iii. On 15 March 2024, issuance of 26,260 new ordinary shares of RM1.3874 each, to employees at the exercise price of RM1.25 per share, for cash consideration of RM32,825, in respect of their applications to exercise their ESOS Options under the ESS.
- iv. On 25 April 2024, the Group has successfully issued 295,000,000 units of 5-Year Zero Coupon Irredeemable Convertible Unsecured Loan Stock ("ICULS") with an aggregate nominal value of RM354,000,000.

## **TOYO VENTURES HOLDINGS BERHAD**

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### **A7. Issuance or Repayment of Debts and Equity Securities (Cont'd)**

#### **Issue of shares and debentures (Cont'd)**

During the interim period, the Company increased its issued and paid-up share capital from RM131,604,937 to RM153,385,144 as follows: (Cont'd)

- v. On 18 June 2024, issuance of 10,000 new ordinary shares of RM1.3874 each, to employees at the exercise price of RM1.25 per share, for cash consideration of RM12,500, in respect of their applications to exercise their ESOS Options under ESS.

The new shares rank pari passu in all respects with the existing shares in the Company.

There was no issuance of debentures during the interim period.

### **A8. Dividend Paid**

On 16 February 2024, the Company paid a first and final single-tier dividend of 1.8 sen per ordinary share in respect of the financial year ended 30 September 2023.

### **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**

The Group is comprised of three main segments: Manufacturing and Trading, Investment holding, and Energy. The core operations of the Group are concentrated in the manufacturing and trading segment, which encompasses our primary business activities. The investment holding segment focuses on managing our subsidiaries, while the energy segment specifically refers to our power plant project.

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Company No. 202001001322 (1357641-P)

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**A10. Segmental Reporting (Cont'd)****Current Period To Date 30 June 2024**

	<b>Manufacturing and Trading RM'000</b>	<b>Investment holding RM'000</b>	<b>Energy RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	63,334	13,248	-	(13,654)	62,928
<b>Results</b>					
Segment results	9	(1,231)	1,141	(11,935)	(12,016)
Interest income	30	-	-	-	30
Finance cost	(523)	-	-	-	(523)
Taxation	(394)	(17)	-	-	(411)
Net (loss)/profit for the financial period	(878)	(1,248)	1,141	(11,935)	(12,920)
<b>Other Information</b>					
Segment assets	1,254,587	507,176	221,492	(760,561)	1,222,694
Unallocated corporate assets					12,711
Consolidated total assets					1,235,405
Segment liabilities	1,105,956	253	56,734	(425,098)	737,845
Unallocated corporate liabilities					9,481
Consolidated total liabilities					747,326
Capital expenditure	990	10	-	-	1,000
Depreciation/ amortization	1,315	2	2	-	1,319

**TOYO VENTURES HOLDINGS BERHAD**

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**A10. Segmental Reporting (Cont'd)****Corresponding Period To Date 30 June 2023**

	<b>Manufacturing and Trading RM'000</b>	<b>Investment holding RM'000</b>	<b>Energy RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>	65,418	648	-	(927)	65,139
<b>Results</b>					
Segment results	3,302	(428)	689	(301)	3,262
Interest income	10	-	2	-	12
Finance cost	(484)	-	-	-	(484)
Taxation	(1,004)	(47)	-	-	(1,051)
Net profit/(loss) for the financial period	1,824	(475)	691	(301)	1,739
<b>Other Information</b>					
Segment assets	685,898	151,517	229,796	(502,645)	564,566
Unallocated corporate assets					11,595
Consolidated total assets					576,161
Segment liabilities	524,398	17,549	136,138	(250,964)	427,121
Unallocated corporate liabilities					6,084
Consolidated total liabilities					433,205
Capital expenditure	698	-	-	-	698
Depreciation/ amortization	1,167	-	2	-	1,169

**TOYO VENTURES HOLDINGS BERHAD**

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**A10. Segmental Reporting (Cont'd)****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 segments		Segment assets by location of assets		Capital expenditure by location of assets	
YTD	YTD	YTD	YTD	YTD	YTD
30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

**Continuing operations**

Malaysia	62,928	65,139	1,013,913	346,365	1,000	698
Vietnam	-	-	221,492	229,796	-	-
	62,928	65,139	1,235,405	576,161	1,000	698

**A11. Subsequent Material Events**

On 4 July 2024, Song Hau 2 Power Company Limited ("SH2P"), a wholly-owned subsidiary of Toyo Ink Group Berhad ("TIGB"), which is itself a wholly-owned subsidiary of Toyo Ventures Holdings Berhad ("TVHB"), has received a letter dated 1 July 2024 from Ministry of Industry and Trade ("MOIT"). The letter notified SH2P of the effective termination of the BOT Contract for the Project in accordance with Article 23.4 of the BOT Contract.

Subsequently, on 12 July 2024, SH2P has received another letter dated 9 July 2024 via email from the legal counsel of i-Power Solutions Pte Ltd. The letter indicated that, due to the termination of the BOT Contract, the Equipment Facility of USD980 million is no longer applicable.

**A12. Changes in the Composition of the Group**

During the quarter under review, the application to strike off the name of Song Hau 2 Financing Pte Ltd from the Register of Companies was successfully completed and approved by the Accounting and Corporate Regulatory Authority ("ACRA") in Singapore.

**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.

## TOYO VENTURES HOLDINGS BERHAD

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### A14. Capital Commitments

	6 months ended 30 June 2024 RM'000	6 months ended 30 June 2023 RM'000
Approved and contracted but not provided for:		
Power plant development project	<u>71,806</u>	<u>70,907</u>

The commitment related to the land lease payment for power plant development project is VND365.5 billion or approximately RM71,806,000 (30.06.2023 : RM70,907,000).

## B. ADDITIONAL DISCLOSURES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### B1. Review of Performance

For the quarter ended 30 June 2024, the Group reported a revenue of RM19.41 million, which is a slight decrease of 2.85% compared to RM19.98 million in the same quarter last year. Gross profit dropped by 14.08% to RM4.02 million from RM4.68 million, leading to a profit before taxation (“PBT”) decline from RM2.39 million to a loss before taxation (“LBT”) of RM 0.94 million.

The gross profit margin for the quarter declined to 20.72% from 23.43% in 3Q-2023. This reduction was largely due to a slowdown in the precision mould, tool and die manufacturing industry, which led to reduced capital expenditures.

The Group recorded a LBT of RM12.92 million for the current cumulative quarter, in contrast to PBT of RM1.74 million in the corresponding period to date ended 30 June 2024, due to share grants expenses of RM12.49 million deducted from the profit and loss account by way of otherwise than cash, for the issuance of 9,000,000 new ordinary shares of RM1.3874 each, pursuant to the Employees’ Share Scheme.

Year-to-date group revenue decreased by RM2.21 million or 3.39% to RM62.93 million from RM65.14 million recorded in the corresponding year. During the current 9 months, the Group posted LBT of RM12.92 million compared to PBT of RM1.74 million in the corresponding preceding period.

Revenue from the manufacturing and trading segment decreased by RM2.08 million, or 3.28%, to RM63.33 million in 3Q-2024, compared to RM65.42 million in the corresponding quarter of 2023. This decline is primarily attributed to the overall market slowdown and a reduction in orders for machines, which has also led to decreased demand for consumables. Consequently, the group reported a net loss of RM0.88 million for the financial period, compared to a net profit of RM1.82 million in the previous year.

Revenue from the investment holding segment increased by RM12.60 million, reaching RM13.25 million for the period ending 30 June 2024, driven primarily by dividends received from subsidiaries. However, this segment incurred a higher loss of RM1.25 million compared to the corresponding period of RM0.48 million, largely due to expenses related to the ESS incurred during the current period.

## TOYO VENTURES HOLDINGS BERHAD

Company No. 202001001322 (1357641-P)

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### B2. Comparison with Preceding Quarter's Results

#### Quarter ended 30 June 2024 vs 31 March 2024

	<b>3 months ended 30 June 2024 RM'000</b>	<b>3 months ended 31 March 2024 RM'000</b>
Revenue	<u>19,405</u>	<u>18,737</u>
Loss before taxation	<u>(943)</u>	<u>(12,952)</u>

For the 3 months ended 30 June 2024, the Group recorded revenue of RM19.41 million, representing a slight increase of 3.57% compared to the RM18.74 million reported in the previous quarter ended 31 March 2024.

Despite this increase in revenue, the Group continued to face challenges, as evidenced by the loss before taxation of RM0.94 million for the current quarter as compared to the loss of RM12.95 million reported in the previous quarter. The substantial loss during the previous quarter was due to share grants expenses of RM12.49 million.

Gross profit margin was 20.72% for the 3 months ended 30 June 2024, a slight decrease from 21.10% for the 3 months ended 31 March 2024.

### B3. Prospects

Given the less than encouraging results reported, the Group strives to achieve better performance for its financial year ending 30 September 2024 through strategic business exploration. The group will continue to improve the profitability of its existing operations by managing its costs and focusing on optimising the sales product mix to achieve higher profit margins.

### 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.

**TOYO VENTURES HOLDINGS BERHAD**

Company No. 202001001322 (1357641-P)

(Incorporated in Malaysia)

**B6. Taxation**

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current quarter ended	Corresponding quarter ended	Current period to date ended	Corresponding period to date ended
30.06.2024	30.06.2023	30.06.2024	30.06.2023
RM'000	RM'000	RM'000	RM'000

**Tax expenses recognised in profit or loss****Income tax**

- Current financial period	1	(393)	(411)	(1,051)
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**B7. Status of Corporate Proposals**

## (a) Warrant 2020/2023 (“Warrant B”)

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.

The movements of the warrants during the interim period are as follows:

Date of issue	Exercise price	Number of Warrant B			
		At 01.10.2023	Exercised	Lapsed	At 30.06.2024
23-Oct-20	RM1.50	53,497,495	(6,162,200)	(47,335,295)	-

## (b) Irredeemable Convertible Unsecured Loan Stocks (“ICULS”)

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 5-year, zero coupon 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 was approved by the shareholders at an Extraordinary General Meeting (“EGM”) held on 13 December 2023.

On 25 April 2024, 295,000,000 ICULS have been successfully issued. As such, the Proposed Settlement is deemed completed on even date.

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### B7. Status of Corporate Proposals (Cont'd)

(c) Employees' Share Scheme ("ESS")

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 was approved by the shareholders at an EGM held on 13 December 2023.

On 5 February 2024, new ordinary shares at RM1.3874 per share (5-day volume weighted average market price immediately prior to the offer of Share Grants/ESOS Options) were awarded/offered as follows:

- i. 9,000,000 Share Grants awarded to executive directors at no payment, with immediate vesting period; and
- ii. 9,370,500 ESOS Options offered to eligible directors and employees of the Company to subscribe for new shares at the exercise price of RM1.25 per share, proportionately over a period of 5 years.

The ESS shall be in force for a duration of 5 years commencing from 18 December 2023, the effective date of implementation of the ESS, which is the date of full compliance of the provisions as set out in Paragraph 6.43(1) of the Listing Requirements.

The 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.

The movements of the ESS during the interim period are as follows:

ESS	Exercise price	Number of Ordinary Shares			
		At 01.10.2023	Offered	Exercised	At 30.06.2024
Share Grants	Nil	-	9,000,000	(9,000,000)	-
ESOS Options	RM1.25	-	9,370,500	(36,260)	9,334,240

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**B8. Borrowings**

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

	<b>30.06.2024</b>	<b>30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Long term borrowings</b>		
<b>Secured</b>		
Term loans	3,851	3,715
<b>Short term borrowings</b>		
<b>Secured</b>		
Banker's acceptance	4,580	2,546
Bank overdraft	4,503	2,034
Term loans	1,005	874
	<u>10,088</u>	<u>5,454</u>
<b>Total</b>	<u>13,939</u>	<u>9,169</u>

**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.

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**B9. Litigation (Cont'd)**

**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 (Cont'd)**

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.

On 21 March 2024, the Court of Appeal Registrar has given fresh directions as follows:-

- i) Written Submissions by 11 November 2024;
- ii) Reply Submissions by 25 November 2024;
- iii) Case Management on 27th November 2024 to update on status of submissions; and
- iv) Physical hearing on 9th December 2024 at the Court of Appeal in Putrajaya.

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

**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

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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)**

(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.

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 hearing previously scheduled for 23 May 2024, was vacated by the court. A case management session was held via e-Review, during which the court rescheduled the hearing. The physical hearing is now fixed for 30 August 2024 at the Kuala Lumpur High Court.

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.

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**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. The dividend was paid on 16 February 2024.

**B11. Disclosures of derivatives**

There were no outstanding derivatives as at 30 June 2024.

**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 30 June 2024.

**B13. Finance Cost**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current quarter ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding quarter ended <b>30.06.2023</b> <b>RM'000</b>	Current period to date ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding period to date ended <b>30.06.2023</b> <b>RM'000</b>
Interest expenses	237	137	523	484

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**B14. Notes to the Condensed Consolidated Income Statement**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current quarter ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding quarter ended <b>30.06.2023</b> <b>RM'000</b>	Current period to date ended <b>30.06.2024</b> <b>RM'000</b>	Corresponding period to date ended <b>30.06.2023</b> <b>RM'000</b>
Depreciation of property, plant and equipment	442	403	1,319	1,169
Interest income	(13)	(2)	(30)	(12)
Impairment loss on trade receivables	-	-	(56)	-
Loss on disposal of other investments	-	370	-	370
Property, plant and equipment written off	-	-	2	-
Unrealised gain on foreign exchange	(1,976)	(2,632)	(5,121)	(2,627)
Share grant expenses	-	-	12,487	-
Employee share option expenses	-	-	1,058	-

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**B15. Basic (Loss)/Earnings Per Share**

- i. Basic (loss)/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.

<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
Current quarter ended	Corresponding quarter ended	Current period to date ended	Corresponding period to date ended
<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

(Loss)/Profit attributable to owners of the Company	(942)	1,994	(12,920)	1,739
Weighted average number of ordinary shares in issue	132,901	117,703	132,901	117,703
Basic (loss)/earnings per share (sen)	(0.71)	1.69	(9.72)	1.48

- 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.