

Toga Ltd
Form 10-Q
May 01, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **January 31, 2019**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: 333-138951

Toga Limited

(Exact name of registrant as specified in its
charter)

Nevada
(State or other jurisdiction
of incorporation or organization)

98-0568153
(IRS Employer
Identification No.)

3960 Howard Hughes Pkwy, Suite 500

Edgar Filing: Toga Ltd - Form 10-Q

Las Vegas, Nevada 89169

(Address of principal executive offices)

(702) 990-3578

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically on its corporate Web site, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the issuer's common stock outstanding as of April 15, 2019 was 902,825,100 shares, par value \$0.0001 per share.

TOGA LIMITED

FORM 10-Q

Quarterly Period Ended January 31, 2019

INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	3
<u>Item 1. Financial Statements</u>	3
<u>Consolidated Balance Sheets as of January 31, 2019 (Unaudited) and July 31, 2018</u>	3
<u>Consolidated Statements of Operations for the Three and Six Months ended January 31, 2019 and 2018 (Unaudited)</u>	4
<u>Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the Three and Six Months ended January 31, 2019 and 2018 (Unaudited)</u>	5
<u>Consolidated Statements of Cash Flows for the Six Months ended January 31, 2019 and 2018 (Unaudited)</u>	7
<u>Notes to the Condensed Consolidated Unaudited Financial Statements</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	16
<u>Item 4. Controls and Procedures</u>	16
<u>PART II. OTHER INFORMATION</u>	17
<u>Item 1. Legal Proceedings</u>	17
<u>Item 1A. Risk Factors</u>	17
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
<u>Item 3. Defaults Upon Senior Securities</u>	17
<u>Item 4. Mine Safety Disclosures</u>	18
<u>Item 5. Other Information</u>	18
<u>Item 6. Exhibits</u>	18
<u>SIGNATURES</u>	19

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Toga Limited****Consolidated Balance Sheets****(Unaudited)**

	January 31, 2019	July 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,997,345	\$ 1,064,672
Accounts receivable, net	77,667	367,918
Prepaid expense and other current assets	233,753	25,958
Total Current Assets	2,308,765	1,458,548
Property and equipment	248,188	135,706
Intangible asset - digital currency	5,152,600	1,348,920
Deposit	-	9,780
TOTAL ASSETS	\$ 7,709,553	\$ 2,952,954
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 421,801	\$ 180,573
Due to related parties	208,200	186,390
Notes due to related parties	24,126	24,126
Deferred revenue	-	20,500
Total Current Liabilities	654,127	411,589
Stockholders' Equity		
Preferred stock, \$0.0001 par value, 20,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$0.0001 par value, 10,000,000,000 shares authorized; 874,063,148 and 695,865,164 shares issued and outstanding as of January 31, 2019 and July 31, 2018, respectively	87,406	69,587
Common stock subscribed; 30,000,000 common shares, \$0.0001 par value	(3,000)	(3,000)
Additional paid-in capital	22,518,871	16,880,233

Edgar Filing: Toga Ltd - Form 10-Q

Accumulated other comprehensive loss	41,382	(53,996)
Accumulated deficit	(15,589,233)	(14,351,459)
Total Stockholders' equity	7,055,426	2,541,365
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,709,553	\$ 2,952,954

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents**Toga Limited****Consolidated Statements of Operations****(Unaudited)**

	Three Months Ended January 31,		Six Months Ended January 31,	
	2019	2018	2019	2018
Revenue	\$ 856,383	\$ -	\$ 1,599,136	\$ -
Cost of goods sold	613,391	-	880,213	-
Gross profit	242,992	-	718,923	-
OPERATING EXPENSES				
General and administrative expenses	977,642	364,828	1,718,945	420,444
Research and development	12,737	-	72,443	-
Depreciation	13,139	-	23,663	-
Total Operating Expenses	1,003,518	364,828	1,815,051	420,444
LOSS FROM OPERATIONS	(760,526)	(364,828)	(1,096,128)	(420,444)
OTHER INCOME (EXPENSE)				
Interest income	2,547	-	2,721	-
Interest expense	(32)	(127)	(67)	(383)
Loss on settlement of debt	-	(2,300,327)	-	(2,300,327)
Total Other Income (Expense)	2,515	(2,300,454)	2,654	(2,300,710)
Loss before Income Taxes	(758,011)	(2,665,282)	(1,093,474)	(2,721,154)
Income Tax Provision	(144,300)	-	(144,300)	-
NET LOSS	\$ (902,311)	\$ (2,665,282)	\$ (1,237,774)	\$ (2,721,154)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustments	122,885	13,103	95,378	12,757
TOTAL COMPREHENSIVE LOSS	\$ (779,426)	\$ (2,652,179)	\$ (1,142,396)	\$ (2,708,397)
BASIC AND DILUTED NET LOSS PER COMMON				

SHARE:				
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	802,225,012	2,604,216,889	780,298,896	2,581,955,094
NET LOSS PER COMMON SHARE	(0.00)	(0.00)	\$ (0.00)	\$ (0.00)

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents**Toga Limited****Consolidated Statements of Changes in Stockholders' Equity (Deficit)****For the six month and three month periods ended January 31, 2019****(Unaudited)**

	Common Stock Number of Shares	Common Stock Amount	Subscription Receivable	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance - July 31, 2018	695,865,164	\$ 69,587	\$ (3,000)	\$ 16,880,233	\$ (14,351,459)	\$ (53,996)	\$ 2,541,365
Issuance of common shares for cash	62,707,617	6,270	-	1,247,881	-	-	1,254,151
Cancellation of common shares	(200,000)	(20)	-	20	-	-	-
Other comprehensive loss	-	-	-	-	-	(27,507)	(27,507)
Net loss	-	-	-	-	(335,463)	-	(335,463)
Balance - October 31, 2018	758,372,781	\$ 75,837	\$ (3,000)	\$ 18,128,134	\$ (14,686,922)	\$ (81,503)	\$ 3,432,546
Issuance of common shares for cash	29,931,211	2,993	-	595,633	-	-	598,626
Issuance of common shares for digital currency	85,759,156	8,576	-	3,795,104	-	-	3,803,680
Cancellation of common shares	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	122,885	122,885
Net loss	-	-	-	-	(902,311)	-	(902,311)
Balance - January 31, 2019	874,063,148	\$ 87,406	\$ (3,000)	\$ 22,518,871	\$ (15,589,233)	\$ 41,382	\$ 7,055,426

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents**Toga Limited****Consolidated Statements of Changes in Stockholders' Equity (Deficit)****For the six month and three month periods ended January 31, 2018****(Unaudited)**

	Common Stock Number of Shares	Common Stock Amount	Subscription Receivable	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance - July 31, 2017	2,546,354,700	\$ 254,636	\$ (3,000)	\$ 358,015	\$ (731,151)	\$ -	\$ (121,500)
Issuance of common shares for cash	13,338,600	1,334	-	132,052	-	-	133,386
Other comprehensive loss	-	-	-	-	-	(346)	(346)
Net loss	-	-	-	-	(55,872)	-	(55,872)
Balance - October 31, 2017	2,559,693,300	\$ 255,970	\$ (3,000)	\$ 490,067	\$ (787,023)	\$ (346)	\$ (44,332)
Issuance of common shares for cash	50,000,000	5,000	-	495,000	-	-	500,000
Issuance of common shares for conversion	15,335,515	1,534	-	2,452,149	-	-	2,453,683
Other comprehensive income	-	-	-	-	-	13,103	13,103
Net loss	-	-	-	-	(2,665,282)	-	(2,665,282)
Balance - January 31, 2018	2,625,028,815	\$ 262,504	\$ (3,000)	\$ 3,437,216	\$ (3,452,305)	\$ 12,757	\$ 257,172

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents**Toga Limited****Consolidated Statements of Cash Flows****(Unaudited)**

	Six Months Ended	
	January 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,237,774)	\$ (2,721,154)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation	23,663	-
Loss on settlement of debt	-	2,300,327
Changes in operating assets and liabilities:		
Accounts receivable	290,180	-
Prepaid expenses and other current assets	(193,019)	(23,945)
Deferred revenue	(20,500)	-
Accounts payable and accrued liabilities	252,794	121,173
Net cash used in operating activities	(884,656)	(323,599)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(134,919)	-
Net cash used in investing activities	(134,919)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	1,852,777	633,386
Proceeds from (Repayment to) related parties	78,334	1,089,324
Repayment to related party	(56,524)	(852,001)
Net cash provided by financing activities	1,874,587	870,709
Effects on changes in foreign exchange rate	77,661	24,582
Net increase in cash and cash equivalents	932,673	571,692
Cash and cash equivalents - beginning of period	1,064,672	100
Cash and cash equivalents - end of period	\$ 1,997,345	\$ 571,792
Supplemental Cash Flow Disclosures		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-Cash Investing and Financing Activity:		
Cancellation of Common Stock	\$ 20	\$ -
Note exchanged for due to related parties	\$ -	\$ 152,973

Edgar Filing: Toga Ltd - Form 10-Q

Common Shares issued to settle related party note payable	\$	-	\$	153,356
Expenses Paid by Related Party	\$	-	\$	50,868
Common shares issued for digital currency	\$	3,803,680	\$	-

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents

Toga Limited

Notes to the Condensed Consolidated Financial Statements

January 31, 2019

(Unaudited)

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Business description

On June 30, 2016, Blink Couture, Inc. entered into a merger agreement with its wholly owned subsidiary, Toga Limited (the “Company”), a Delaware corporation with no material operations. The Company continued operations under the name Toga Limited.

Blink Couture, Inc. was originally incorporated as Fashionfreakz International Inc. on October 23, 2003, under the laws of the State of Delaware. On December 2, 2005, Fashionfreakz International Inc. changed its name to Blink Couture Inc. Until March 4, 2008, the Company’s principal business was the online retail marketing of trendy clothing and accessories produced by independent designers. On March 4, 2008, the Company discontinued its prior business and changed its business plan. On June 13, 2016, a change of control of the Company occurred. On that date, the current president and Chief Executive Officer purchased a total of 13,869,150 of the issued and outstanding shares of the Company.

On June 10, 2017, the Board of Directors unanimously adopted resolutions authorizing the increase of the Company’s authorized number of shares of common stock from one hundred million (100,000,000) shares to ten billion (10,000,000,000) shares and increased the number of the Company’s total issued and outstanding shares of common stock by conducting a forward split at the rate of fifty (50) shares for every one (1) (50:1) share currently issued and outstanding (the “Forward Split”). The Forward Split became effective in the market on September 11, 2017 following approval by the FINRA. All share amounts in this filing have been adjusted retroactively.

The Company incorporated a wholly-owned subsidiary, TOGL Technology Sdn. Bhd. (“TOGL”) in Malaysia on September 26, 2017.

On May 28, 2018, the Company's wholly-owned subsidiary TOGL formed a branch office in Taiwan.

The Company incorporated a wholly-owned subsidiary, PT. Toga International Indonesia ("PT Toga") in Indonesia on November 23, 2017.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required for audited annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary to make the consolidated financial statements not misleading have been included. The balance sheet at July 31, 2018, has been derived from the Company's audited consolidated financial statements as of that date.

The unaudited consolidated condensed financial statements included herein should be read in conjunction with the audited consolidated financial statements and the notes thereto that are included in the Company's Annual Report on Form 10-K for the year ended July 31, 2018, that was filed with the SEC on March 19, 2019. The results of operations for the six months ended January 31, 2019, are not necessarily indicative of the results to be expected for the full year.

Basis of Consolidation

These consolidated condensed financial statements include the accounts of the Company and the wholly-owned subsidiaries, TOGL Technology Sdn. Bhd., and PT. Toga International Indonesia. All material intercompany balances and transactions have been eliminated. TOGL Technology incorporates the financial statements of the Taiwan office.

Table of Contents

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates.

Basic and Diluted Earnings per Share

Pursuant to the authoritative guidance, basic net income and net loss per share are computed by dividing the net income and net loss by the weighted average number of common shares outstanding. Diluted net income and net loss per share is the same as basic net income and net loss per share due to the lack of dilutive items. At the reporting dates, there were no common stock equivalents outstanding.

Foreign Currency Translations

The Company's functional and reporting currency is the U.S. dollar. Our subsidiary's functional currency is the Malaysian Ringgit. All transactions initiated in Malaysian Ringgit are translated into U.S. dollars in accordance with ASC 830-30, "Translation of Financial Statements," as follows:

- 1) Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.
- 2) Equity at historical rates.
- 3) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders' equity as a component of comprehensive income or loss. Therefore, translation adjustments are not included in determining net income (loss) but reported as other comprehensive income.

January 31, 2019	January 31, 2018
-----------------------------------	-----------------------------------

Spot MYR: USD exchange rate	\$	0.2443	\$	0.2560
Average MYR: USD exchange rate	\$	0.2413	\$	0.2461
Spot NTD: USD exchange rate	\$	0.0325		n/a
Average NTD: USD exchange rate	\$	0.0325		n/a
Spot IDR: USD exchange rate	\$	0.000072		n/a
Average IDR: USD exchange rate	\$	0.000068		n/a

Revenue Recognition

The Company currently generates revenue through development for advertising using a custom-built advertising feature that matches client advertising requirements. Advertisements are created in batches, and completed/invoices in monthly batches. In addition, the Company generates revenue through management fees and information technology fees.

The Company recognizes revenues on contracts with customers in accordance with the ASC 606, including performing the following: (i) identify the contract, (ii) identify the performance obligations; (iii) determine the transaction price; (iv) allocate the transaction price, (v) recognize revenue.

Concentration of Revenue by Customer

The Company's concentration of revenue for individual customers above 10% are as follows:

- Agel Enterprise International Sdn Bhd: 42%,
- Others: 58%

Concentration of Revenue by Country:

- Malaysia (TOGL Technology Sdn. Bhd): 92%
- Indonesia (PT. Toga International Indonesia): 0%
- United States (Toga Limited): 8%

Table of Contents

The Company attributes revenue from external customers to individual countries based upon the responsibility of the entity to fulfil the sales obligation and the entity from which the actual service is provided.

Accounts Receivable

The Company's accounts receivable balance is related to advertising through TOGL. Accounts receivable are recorded in accordance with ASC 310 – Receivables. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company does not currently have any amount recorded as an allowance for doubtful accounts. Based on management's estimate and based on all accounts being current, the company has not deemed it necessary to reserve for doubtful accounts at this time.

As of January 31, 2019, the Company's accounts receivable are concentrated 97% with Agel Enterprise International Sdn Bhd.

As of January 31, 2019, the Company's accounts receivable are concentrated 74% in Malaysia (TOGL Technology Sdn. Bhd), 26% in United States (Toga Limited).

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases ("ASC 842"). The guidance requires lessees to recognize almost all leases on their balance sheet as a right-of-use asset and a lease liability. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Lessor accounting is similar to the current model, but updated to align with certain changes to the lessee model and the new revenue recognition standard. Existing sale-leaseback guidance, including guidance for real estate, is replaced with a new model applicable to both lessees and lessors. ASC 842 is effective for fiscal years beginning after December 15, 2018. The Company is evaluating the adoption of ASC 842, but has not determined the effects it may have on the Company's consolidated financial statements.

In November 2018, the FASB issued ASU No. 2018-08 *Collaborative Arrangements* (Topic 808) intended to improve financial reporting around collaborative arrangements and align the current guidance under ASC 808 with ASC 606 *Revenue from Contracts with Customers*. The ASU affects all companies that enter into collaborative arrangements. The ASU clarifies when certain transactions between collaborative arrangement participants should be accounted for

as revenue under Topic 606 and changes certain presentation requirements for transactions with a collaborative arrangement participants that are not directly related to sales to third parties. The standard is effective for fiscal years beginning after December 15, 2019 and interim periods therein. Earlier adoption is permitted for any annual or interim period for which consolidated financial statements have not yet been issued. The Company has not entered into any collaborative arrangements and therefore does not currently expect the adoption of this standard to have a material effect on its Consolidated Financial Statements. The Company plans to adopt this ASU either on the effective date of January 1, 2020 or possibly in an earlier period if a collaborative arrangement is entered. Upon adoption, the Company will utilize the retrospective transition approach, as prescribed within this ASU.

The Company has reviewed and analyzed the above recent accounting pronouncements, and notes no material impact on the financial statements as of January 31, 2019.

NOTE 3. GOING CONCERN

The accompanying unaudited consolidated condensed financial statements have been prepared assuming that the Company will continue as a going concern. The Company, through January 31, 2019, has not yet generated net income for any fiscal year and has accumulated deficit and has incurred net losses. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company is partially dependent on advances from its principal shareholders or other affiliated parties for continued funding. There are no commitments or guarantees from any third party to provide such funding nor is there any guarantee that the Company will be able to access the funding it requires to continue its operations. The Company did enter into a subscription agreement whereby Toga Capital agreed to purchase up to 1.2 billion shares of the Company's common stock at a subscription price of USD\$0.01 per share for an aggregate purchase price of Twelve Million USD (\$12,000,000); however, the fulfilment of this funding is not guaranteed. The Company has also entered into a subscription agreement with Agel Enterprise International Sdn Bhd ("Agel"), whereby Agel agreed to purchase up to 1,076,752,423 shares of the Company's common stock at a subscription price of USD\$0.02 per share for an aggregate purchase price of USD\$21,535,048; however, fulfilment is not guaranteed.

Table of Contents

NOTE 4. INTANGIBLE ASSET - DIGITAL CURRENCY

During the six months ended January 31, 2019, the Company issued 85,759,156 shares of common stock at \$0.044 per share for digital currency valued at \$3,803,680.

During the year ended July 31, 2018, the Company issued 2,698,377 shares of common stock at \$0.50 per share for digital currency valued at \$1,348,920.

As of January 31, 2019, and July 31, 2018, the Company has digital currency of \$5,152,600 and \$1,348,920, respectively.

Digital currencies are nonfinancial assets that lack physical substance. We believe that digital currencies meet the definition of indefinite-lived intangible assets

We complete an evaluation of digital currency on an annual basis. As of the date of the last evaluation no impairment loss was recognized.

NOTE 5. RELATED PARTY TRANSACTIONS

Notes due to related parties

On September 30, 2017, the Company issued a note payable in the amount of \$152,973 to Toga Capital Sdn. Bhd. ("Toga Capital"), which is partially owned by an officer and director of the Company, for repayment of amounts due to related parties of \$152,973. The note is a 2% interest bearing promissory note that is payable on September 30, 2018.

During the year ended July 31, 2018, the Company issued 15,335,515 shares of common stock with a fair value of \$2,453,683 to repay the note payable of \$152,973 and accrued interest of \$383. As a result, the Company recorded a loss on settlement of debt of \$2,300,327.

On May 31, 2016, all outstanding related party advances were paid by a current director of the Company. The Company has outstanding notes payable to related party who is a Company's director, of \$24,126 and \$24,126 as of January 31, 2019 and July 31, 2018, respectively. The amount is non-interest bearing, unsecured and due on demand.

Due to related parties

During the six months ended January 31, 2019 and 2018, the Company borrowed a total amount of \$0 and \$1,089,324 from a related party, Toga Capital, and repaid \$56,524 and \$852,001, respectively.

During the six months ended January 31, 2019 and 2018, total expenses paid directly by a related party, Toga Capital, on behalf of the Company were \$65,925 and \$50,868, respectively.

During the six months ended January 31, 2019 and 2018, total expenses paid directly by the Director of the Company, on behalf of the Company were \$12,409 and \$0, respectively.

As at January 31, 2019 and July 31, 2018, \$208,200 and \$186,390 is due to a related party, Toga Capital, The amount is non-interest bearing, unsecured and due on demand.

Table of Contents

NOTE 6. EQUITY

Preferred stock

The Company is authorized to issue 20,000,000 shares of preferred stock at a par value of \$0.0001.

As of January 31, 2019, and July 31, 2018, no preferred shares were issued and outstanding.

Common stock

The Company is authorized to issue 10,000,000,000 shares of common stock at a par value of \$0.0001.

During the six months ended January 31, 2019, the Company issued common stock, as follows:

- 92,638,828 shares of common stock for cash of \$1,852,777 to AGEL Enterprise International Sdn Bhd, at a price of \$0.02 per share.
- 85,759,156 shares of common stock issued for \$3,803,680 of digital currency (see Note 4)

On October 29, 2018, a shareholder of the Company canceled 200,000 shares of common stock without consideration for such cancellation.

As of January 31, 2019, and July 31, 2018, 874,063,148 and 695,865,164 shares of the Company's common stock were issued and outstanding, respectively.

NOTE 7. COMMITMENTS AND CONTINGENCIES

On October 17, 2018, TOGL entered into two Sale and Purchase Agreements with Mammoth Empire Estate Sdn. Bhd., a Malaysian corporation for the purchase of certain real property. In furtherance to the purchase of that certain real property, the Company entered into a Subscription Agreement with Mammoth dated November 29, 2018 for the purchase of 4,704,763 shares of the Company's common stock for an aggregate purchase price of \$3,999,048, valued at \$0.85, the closing price of the shares on October 16, 2018, remitted by Mammoth in the form of legal title to those certain portions of real property.

NOTE 8. SUBSEQUENT EVENTS

In regards to the TOGL Sale and Purchase Agreements with Mammoth Empire Estate Sdn. Bhd (Note 7), on February 7, 2019, the Company issued 4,704,763 shares of common stock in the name of Mammoth Empire Estates Sdn. Bhd. and delivered to a law firm in Kuala Lumpur, Malaysia to hold in escrow pending completion of the transfer of title to the Company. The shares were valued on February 7, 2019 at \$0.86 per share, for an aggregate price of \$4,046,096.

Subsequent to January 31, 2019, the Company issued 14,320,459 shares of common stock at a price of \$0.02 per share for cash proceeds of \$286,409.

Subsequent to January 31, 2019, the Company issued 5,773,802 common shares to employees as stock based compensation.

Subsequent to January 31, 2019, the Company issued 3,962,928 shares of common stock in exchange for of 22.5 bitcoins, valued at approximately \$82,000.

Table of Contents

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Our unaudited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (the “Report”), including “Management’s Discussion and Analysis and Results of Operations” in Item 2 contains forward-looking statements regarding future events and the future results of Toga Limited (the “Company”) that are based on management’s current expectations, estimates, projections and assumptions about the Company’s business. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “sees,” “estimates” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including, but not limited to, those discussed in “Management’s Discussion and Analysis and Results of Operations” in Item 2 and elsewhere in this Report as those discussed from time to time in the Company’s other Securities and Exchange Commission filings and reports. In addition, such statements could be affected by general industry and market conditions. Such forward-looking statements speak only as of the date of this Report or, in the case of any document incorporated by reference, the date of that document, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this Report. If we update or correct one or more forward-looking statements, investors and others should not conclude that we will make additional updates or corrections with respect to other forward-looking statements.

Description of Business

The Company was incorporated in the State of Delaware on October 23, 2003, under the name Fashionfreakz International Inc. On December 2, 2005, the Company changed its name to Blink Couture, Inc. Until March 4, 2008, the Company’s principal business was the online retail marketing of trendy clothing and accessories produced by independent designers. On March 4, 2008, the Company discontinued and changed its prior business plan.

On June 30, 2016, Blink Couture, Inc., a Delaware corporation entered into an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to which the Company merged with its wholly owned subsidiary, Toga Limited, a

Delaware corporation with no material operations (“Merger Sub” and such merger transaction, the “Merger”). Upon the consummation of the Merger, the separate existence of Merger Sub ceased and shareholders of the Company became shareholders of the surviving company named “Toga Limited”.

As permitted by the Delaware General Corporation Law Title 8, Section 251(f), the sole purpose of the Merger was to effect a change of the Company’s name from Blink Couture, Inc., to Toga Limited. Upon the filing of the Certificate of Merger (the “Certificate of Merger”) with the Secretary of State of Delaware on July 22, 2016 to effect the Merger, the Company’s Articles of Incorporation were deemed amended to reflect the change in the Company’s corporate name.

The name change to Toga Limited became effective in the market on December 16, 2016, following approval by the Financial Industry Regulatory Authority, Inc. (FINRA), and in conjunction with the name change, the trading symbol for the Company’s common stock was changed. Its shares are now listed for quotation on OTC Markets under the symbol “TOGL.”

On June 10, 2017, the Board of Directors unanimously adopted resolutions authorizing the increase of the Company’s authorized number of shares of common stock from one hundred million (100,000,000) shares to ten billion (10,000,000,000) shares and increased the number of the Company’s total issued and outstanding shares of common stock by conducting a forward split at the rate of fifty (50) shares for every one (1) (50:1) share currently issued and outstanding (the “Forward Split”). The Forward Split became effective in the market on September 11, 2017 following approval by the FINRA.

The Company incorporated a wholly-owned subsidiary, TOGL Technology Sdn. Bhd. (“TOGL”) in Malaysia on September 26, 2017.

The Company incorporated a wholly-owned subsidiary, PT. Toga International Indonesia (“PT Toga”), in Indonesia on November 23, 2017.

Table of Contents

In 2017, the Company developed “Yippi”, a social media app for mobile devices. The Company commenced development with the hiring of a Chief Technology Officer and development team.

The Yippi App is a messaging app with a focus on entertainment and security. It’s fast, simple, secure and free. Yippi seamlessly syncs a user’s normal messages and secret messages into one application. Users can send an unlimited number of messages, photos, and voice messages. Yippi groups allow users to send broadcasts to up to 100 contacts at a time. Users download the Yippi App through the Apple App Store, Google Play, or the Amazon App Store. Revenue is generated from selling advertising, emoji stickers, and special filters, effects and features for use within Yippi.

On May 28, 2018, the Company’s wholly-owned subsidiary TOGL formed a branch office in Taiwan.

On July 10, 2018, the Company changed its state of incorporation from the State of Delaware to the State of Nevada.

On October 17, 2018, TOGL entered into two Sale and Purchase Agreements with Mammoth Empire Estate Sdn. Bhd., a Malaysian corporation for the purchase of certain real property. In furtherance to the purchase of that certain real property, the Company entered into a Subscription Agreement with Mammoth dated November 29, 2018 for the purchase of 4,704,763 shares of the Company’s common stock for an aggregate purchase price of \$3,999,049 remitted by Mammoth in the form of legal title to those certain portions of real property.

During the quarter ended January 31, 2019, the Company added three (3) games, Duck Run, Flappy Duck and Y Shooter, in the Games section of the Yippi App.

The Company added the following feature to the Yippi App during the quarter ended January 31, 2019:

- Official Page – Allows Yippi users to create a fan page for their own business, organization and brand to share content and connect with other Yippi users.

Results of Operations

The Company's operations are focused on the development of Yippi and attracting active users to Yippi. The Company commenced generating advertising revenue from Yippi during the fiscal-year ended July 31, 2018.

The Company has incorporated two wholly-owned subsidiaries, TOGL Technology Sdn Bhd., (which includes the wholly owned subsidiary in Taiwan) and PT Toga International Indonesia.

Three-Months Ended January 31, 2019 Compared to 2018.

Our net loss for the three-month period ended January 31, 2019 was \$902,311 compared to a net loss of \$2,665,282 for the three-month period ended January 31, 2018. During the three-month period ended January 31, 2019 and January 31, 2018 we generated \$856,383, and \$0 in revenue, respectively.

During the three-month period ended January 31, 2019, we incurred general administrative expenses of \$977,642 compared to \$364,828 incurred for the three-month period ended January 31, 2018. General and administrative fee expenses were primarily related to maintenance of applications, corporate overhead, financial and administrative contracted services, professional fees, salaries and wages, legal fees for reorganization of the Company and costs incurred for potential acquisitions. The increase in general and administrative expenses is primarily due to commencing operations through subsidiaries during the three-month period ended January 31, 2019. During the three-month period ended January 31, 2019, we incurred research and development costs of \$12,737.

During the three-month period ended January 31, 2019, we incurred depreciation of \$13,139 compared to \$0 for the three-month period ended January 31, 2018.

During the three-month period ended January 31, 2019, we incurred other expenses of \$2,515 compared to \$2,300,454 for the three-month period ended January 31, 2018. Other expenses consists of interest income of \$2,547 and interest expense of \$32, for the three-month period ended January 31, 2019. Other expenses consists of interest expense of \$127 and loss on settlement of debt of \$2,300,327 for the three-month period ended January 31, 2018.

Table of Contents

Six-Months Ended January 31, 2019 Compared to 2018.

Our net loss for the six-month period ended January 31, 2019 was \$1,237,774 compared to a net loss of \$2,721,154 for the six-month period ended January 31, 2018. During the six-month period ended January 31, 2019 and January 31, 2018 we generated \$1,599,136, and \$0 in revenue, respectively.

During the six-month period ended January 31, 2019, we incurred general administrative expenses of \$1,718,945 compared to \$420,444 incurred for the six-month period ended January 31, 2018. General and administrative fee expenses were primarily related to maintenance of applications, corporate overhead, financial and administrative contracted services, professional fees, salaries and wages, legal fees for reorganization of the Company and costs incurred for potential acquisitions. The increase in general and administrative expenses is primarily due to commencing operations through subsidiaries during the six-month period ended January 31, 2019. During the six-month period ended January 31, 2019, we incurred research and development costs of \$72,443.

During the six-month period ended January 31, 2019, we incurred depreciation of \$23,663 compared to \$0 for the six-month period ended January 31, 2018.

During the six-month period ended January 31, 2019, we incurred total other expenses of \$2,654 compared to \$2,300,710 for the six-month period ended January 31, 2018. Other expenses consisted of interest income of \$2,721 and interest expense of \$67, for the six-month period ended January 31, 2019. As compared to 2018, other expenses consisted of interest income of \$0, interest expense of \$383 and loss on settlement of debt of \$2,300,327.

Plan of Operation

The Company's current business activity does not at this time provide positive cash flow, although the Company has commenced generating revenue for the first time during the most recent quarter. During the next twelve months, we anticipate incurring costs related to:

- i. Marketing the Yippi App to users located throughout Asia;
- ii. Investigating, analyzing, and consummating potential acquisition or merger opportunities;
- iii. Other ongoing general and administrative type costs; and

- iv. The preparation and filing of the Company's financial statements and Exchange Act reports.

We believe that we are nearing the point where we will commence generating net profit on a quarterly basis, although we cannot predict exactly when this will occur. We have commenced generating gross revenues and believe our revenue will increase during the next fiscal year. We believe that in order to grow our business going forward, we will need to continue to invest in marketing and advertising of our Yippi App throughout Asia. Because of this, we expect going forward to continue to invest heavily in marketing and advertising. We believe we will be able to meet our operating costs and additional marketing and advertising in excess of our revenues, through additional amounts, as necessary, to be loaned to or invested in us by our stockholders and management, although no agreements have been entered into with anyone.

Liquidity and Capital Resources

As of January 31, 2019, our total assets were \$7,709,553 and our total liabilities were \$654,127 comprised of accounts payable and accrued liabilities, due to related parties and notes due to related parties.

Stockholders' equity increased from \$2,541,365 as of July 31, 2018 to \$7,055,426 as of January 31, 2019.

We had \$1,997,345 of cash as of January 31, 2019, and the Company had assets to meet ongoing expenses or debts that may accumulate. Accumulated deficit was \$15,589,233 as of January 31, 2019 compared to accumulated deficit of \$14,351,459 as of July 31, 2018. As of January 31, 2019, we had working capital of \$1,654,638.

Cash Flow from Operating Activities

We have not generated significant positive cash flow from operating activities. For the six-month period ended January 31, 2019, net cash flows used in operating activities was \$884,656. Net cash flows used in operating activities was \$323,599 for the six-month period ended January 31, 2018.

Table of Contents

Cash Flows from Investing Activities

During the six-month period ended January 31, 2019, we used \$134,919 for purchase of property and equipment. During the three-month period ended January 31, 2018, we did not have any investing activities.

Cash Flows from Financing Activities

We have financed our operations primarily from either advances and loans from related and third parties or the issuance of equity instruments. For the six-month period ended January 31, 2019, net cash provided by financing activities was \$1,874,587, consisting of \$1,852,777 from shares issued for cash and \$78,334 proceeds from related parties, and repayments to related parties of \$56,524. For the six-month period ended January 31, 2018, net cash from financing activities was \$870,709, consisting of proceeds from the issuance of common stock of \$633,386, proceeds from related parties of \$1,089,324, and repayments to related parties of \$852,001.

Going Concern

Our independent auditors have added an explanatory paragraph to their audit issued in connection with the financial statements for the period ended July 31, 2018, relative to our ability to continue as a going concern. The Company, through January 31, 2019, has not yet generated net income for any fiscal year and has accumulated deficit. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to an investor in our securities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Pursuant to Item 305(e) of Regulation of S-K (§229.305(e)), the Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined by Rule 229.10(f)(1).

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company’s management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In accordance with Exchange Act Rules 13a-15 and 15d-15, an evaluation was completed under the supervision and with the participation of the Company’s management, including the Company’s Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on that evaluation, the Company’s management including the Principal Executive Officer and Principal Financial Officer, concluded that the Company’s disclosure controls and procedures were not effective in providing reasonable assurance that information required to be disclosed in the Company’s reports filed or submitted under the Exchange Act was recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period ending January 31, 2019, or subsequent to the date the Company completed its evaluation, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This quarter report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only

management's report in this quarter report.

Table of Contents

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no legal proceedings which are pending or have been threatened against us or any of our officers, directors or control persons of which management is aware.

ITEM 1A. RISK FACTORS

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Agel Enterprises International Sdn. Bhd.

During the quarter ending January 31, 2019, the Company issued a total of 29,931,211 shares of common stock at \$0.02 per shares, resulting in a total of \$598,626 cash proceeds from Agel Enterprises International Sdn. Bhd., a Malaysian corporation (“Agel”) pursuant to a Subscription Agreement entered into between the Company and Agel on May 7, 2018 (the “Agel Subscription Agreement”).

Under the Agel Subscription Agreement, Agel agreed to purchase up to 1,076,752,423 shares of the Company’s common stock at a subscription price of USD\$0.02 per share for an aggregate purchase price of USD\$21,535,048 (the “Purchase Price”).

No placement agent or broker dealer was used or participated in any offering or sale of the above shares.

The sales described above were made pursuant to the exemption from registration set forth in Regulation S, promulgated by the Securities Exchange Commission under the Securities Act of 1933. No underwriters were utilized in connection with the sale of securities.

The issuance of these securities was to a single “non-U.S. person” (as that term is defined in Regulation S of the Securities Act of 1933, as amended) in an offshore transaction in which the Company relied on the registration exemption provided for in Regulation S and/or Section 4(2) of the Securities Act of 1933, as amended (the “Act”), as the conditions of Regulation S were met, including but not limited to the following conditions:

- Agel is a corporation organized under the laws of Malaysia at the time of the sale of the Shares; and
- Agel agreed to resell the Shares only in accordance with Regulation S, pursuant to a registration under the Act, or pursuant to an available exemption from registration.

Each certificate representing the shares of common stock contains a legend that transfer of the shares is prohibited except in accordance with the provisions of Regulation S, pursuant to a registration under the Act, or pursuant to an available exemption from registration and the holder may not engage in hedging transactions with regards to the Company’s common stock unless in compliance with the Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

Table of Contents

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits:

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

18

Table of Contents

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOGA LIMITED

DATED: May 1, 2019

By: */s/ Toh Kok Soon*

Toh Kok Soon
Chief Executive Officer and Chief
Financial Officer

(Principal Executive Officer and
Principal

Financial and Accounting Officer)