

FAST ENERGY HOLDINGS BERHAD

(Formerly known as Techfast Holdings Berhad)

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			9 months ended (Cumulative)		
	30.09.2021	30.09.2020	%	30.09.2021	30.09.2020	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	52,913	3,972	1232.3%	132,435	12,860	929.8%
Operating expenses	(56,032)	(3,247)		(136,699)	(10,983)	
Operating profit/(loss)	(3,119)	725	-530.4%	(4,264)	1,877	-327.2%
Other operating income	254	121		424	541	
	(2,865)	846	-438.7%	(3,840)	2,418	-258.8%
Finance costs	(9)	(1)		(22)	(3)	
Share of results of associate company, net of tax	261	-		536	-	
Profit/(Loss) before taxation	(2,613)	845	-409.2%	(3,326)	2,415	-237.7%
Taxation	(149)	(238)		(651)	(854)	
Net profit after tax from continuing operations	(2,762)	607		(3,977)	1,561	
Loss after tax from discontinuing operations	4	247		(220)	889	
Net profit/(loss) after taxation	(2,758)	854	-555.1%	(4,197)	2,450	-271.3%
Other comprehensive income:	-	-		-	-	
Total comprehensive income/(expense)	(2,758)	854		(4,197)	2,450	
Profit/(loss) attributable to:						
Owners of the Company	(2,758)	854	-423.0%	(4,197)	2,450	-271.3%
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(2,758)	854	-423.0%	(4,197)	2,450	-271.3%
Earnings/(loss) per share attributable to owners of the parent:						
Basic (sen)	(0.71)	0.38		(1.08)	1.08	
Diluted (sen)	(0.63)	N/A		(0.96)	N/A	

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2021**

	(Unaudited) As at 30.09.2021 RM'000	(Audited) As at 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,612	7,288
Investment in associate	26,786	-
Other investment	40	62
Right-of-use asset	372	507
Goodwill on acquisition	363	363
	<u>31,173</u>	<u>8,220</u>
Current assets		
Inventories	1,002	4,902
Trade and other receivables	55,217	11,497
Tax recoverable	113	401
Fixed deposits with licensed banks	2,270	1,070
Cash and bank balances	1,961	17,028
Non-current asset held-for-sale	8,525	-
	<u>69,088</u>	<u>34,898</u>
TOTAL ASSETS	<u>100,261</u>	<u>43,118</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	95,734	39,920
Accumulated losses	(6,757)	(2,560)
Total equity	<u>88,977</u>	<u>37,360</u>
Non-current liabilities		
Finance lease liabilities	328	21
Lease liability	350	477
Deferred taxation	139	541
	<u>817</u>	<u>1,039</u>
Current liabilities		
Trade and other payables	7,862	4,302
Finance lease liabilities	79	188
Tax payable	101	229
Liabilities relating to non-current asset held-for-sale	2,425	-
	<u>10,467</u>	<u>4,719</u>
Total liabilities	<u>11,284</u>	<u>5,758</u>
TOTAL EQUITY AND LIABILITIES	<u>100,261</u>	<u>43,118</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>23.0</u>	<u>9.7</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

FAST ENERGY HOLDINGS BERHAD (Formerly known as Techfast Holdings Berhad)

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Equity Attributable to Owners of the Parent RM'000
Balance at 1 January 2020	29,946	(218)	-	(2,460)	27,268
Net profit for the year	-	-	-	2,450	2,450
Resale of treasury shares	-	218	106	-	324
Dividends paid	-	-	-	(2,281)	(2,281)
Balance as at 30 September 2020	29,946	-	106	(2,291)	27,761
Balance at 1 January 2021	39,920	-	-	(2,560)	37,360
Net loss for the period	-	-	-	(4,197)	(4,197)
Issue of new shares	55,814	-	-	-	55,814
Balance as at 30 September 2021	95,734	-	-	(6,757)	88,977

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	(Unaudited) 9 Months Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation		-
- Continuing operations	(3,326)	2,415
- Discontinuing operations	(189)	1,036
<u>Adjustments for:</u>		
Non-cash items	4,299	937
Non-operating items	(9)	(141)
Operating profit before working capital changes	<u>775</u>	<u>4,247</u>
<u>Changes in working capital:</u>		
Net change in current assets	(47,420)	1,987
Net change in current liabilities	5,799	1,340
Repayment of lease liabilities	(127)	-
Cash generated from/(used in) operations	<u>(40,973)</u>	<u>7,574</u>
Tax (paid)/refunded	(1,031)	(1,183)
Net cash generated from/(used in) operating activities	<u>(42,004)</u>	<u>6,391</u>
Cash Flows From Investing Activities		
Interest received:		
- Continuing operations	9	141
- Discontinuing operations	1	-
Purchase of property, plant and equipment	(789)	(341)
Acquisition of stake in associate company	(26,250)	-
Proceeds from disposal of subsidiary company	108	-
Net cash used in investing activities	<u>(26,921)</u>	<u>(200)</u>
Cash Flow From Financing Activities		
Proceeds from resale of treasury shares	-	323
Proceeds from issue of new shares	55,813	-
Net repayment of hire purchase creditors	225	(168)
Dividends paid	-	(2,281)
Net cash generated from/(used in) financing activities	<u>56,038</u>	<u>(2,126)</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	<u>(12,887)</u>	<u>4,065</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>17,728</u>	<u>8,821</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>4,841</u>	<u>12,886</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	2,270	6,358
Short term investment	-	938
Cash and bank balances	1,961	6,196
Cash and cash equivalents of non-current assets held-for-sale	<u>1,220</u>	<u>-</u>
	5,451	13,492
Less : Fixed deposits pledged to a licensed bank	(70)	(66)
Deposits with maturity period of more than three months	<u>(540)</u>	<u>(540)</u>
	<u>4,841</u>	<u>12,886</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial reports. These explanatory notes attached provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statement for the financial year ended 31 December 2020 except for the adoption of the following Malaysian Financial Reporting Standards (“MFRS”) and amendments to certain MFRSs and Interpretations that are issued but not yet effective as disclosed below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16, Leases – Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
MFRS 17, Insurance Contracts	1 January 2023

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

Amendments to MFRS 101, Presentation of Financial Statements 1 January 2023
- Classification of Liabilities as Current or Non-Current

The directors expect that the adoption of the above accounting standards and interpretations will have no material impact on the Financial Statements in the year of initial application.

A3. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2020 was not qualified.

A4. Comments about Seasonal or Cyclical Factors

The principal businesses of the Group are not affected by seasonality factors. As with any business currently, its performance is dependent on the economic cycle that is dependent on the national recovery plan during these pandemic times.

A5. Unusual Items due to their Nature, Size or Incidence

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

A6. Significant Estimates and Changes in Estimates

There were no significant estimates nor changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A7. Changes in Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A8. Dividend Paid or Proposed

There were no dividends nor proposed during the quarter under review.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A9. Segmental Information

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Bunkering, vessel chartering and petroleum trading	Investment Holding	Elimination	Consolidation
9 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.09.2021						
External sales	-	14,319	118,116	-	-	132,435
Inter-segment revenue	-	-	-	1,350	(1,350)	-
Total	-	14,319	118,116	1,350	(1,350)	132,435
Operating segment profit/(loss)	-	1,790	648	(4,483)	(1,795)	(3,840)
Finance cost	-	(5)	-	(18)	1	(22)
Share of results of associate, net of tax	-	-	-	-	536	536
Profit/(loss) before taxation	-	1,785	648	(4,501)	(1,258)	(3,326)
Taxation	-	(546)	(105)	-	-	(651)
Net profit/(loss) after taxation from continuing operations	-	1,239	543	(4,501)	(1,258)	(3,977)
Loss after tax from discontinuing operations	-	-	-	-	-	(220)
Profit/(loss) after taxation	-	-	-	-	-	(4,197)
Segment assets	-	11,167	51,442	97,784	(69,020)	91,373
Unallocated corporate asset	-	-	-	-	-	363
Non-current assets held-for-sale	-	-	-	-	-	8,525
	-	-	-	-	-	100,261
Segment liabilities	-	2,992	50,785	489	(45,407)	8,859
Liabilities relating to non-current assets held-for-sale	-	-	-	-	-	2,425
	-	-	-	-	-	11,284
9 Months Ended						
30.09.2020						
External sales	-	12,800	-	60	-	12,860
Inter-segment revenue	-	1,115	-	3,220	(4,335)	-
Total	-	13,915	-	3,280	(4,335)	12,860
Operating segment profit/(loss)	-	3,260	-	1,905	(2,747)	2,418
Finance cost	-	(3)	-	-	-	(3)
Profit/(loss) before taxation	-	3,257	-	1,905	(2,747)	2,415
Taxation	-	(854)	-	-	-	(854)
Net profit/(loss) after taxation from continuing operations	-	2,403	-	1,905	(2,747)	1,561
Loss after tax from discontinuing operations	-	-	-	-	-	889
Profit/(loss) after taxation	-	-	-	-	-	2,450
Segment assets	12,826	14,151	-	37,955	(31,897)	33,035
Unallocated corporate asset	-	-	-	-	-	1,110
	-	-	-	-	-	34,145
Segment liabilities	1,915	2,124	-	2,394	(49)	6,384

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A9. Segmental Information (cont'd)

As at 30 September 2021, the self-clinching fastener (“SCF”) segment which was operated by wholly-owned subsidiary, Techfast Precision Sdn Bhd, had been classified as a disposal group, following the Group’s strategic decision to exit from the SCF business. As such, the assets of TPSB was presented under Non-Current Assets Held-for-Sale and the liabilities of the was presented as Liabilities Relating to Non-Current Assets Held-for-Sale. The results was classified as Discontinuing Operations since SCF represented a major line of business of the Group.

The results of the discontinuing operations are as follows:

	(Unaudited)		
	9 months ended (Cumulative)		
	30.09.2021	30.09.2020	%
	RM'000	RM'000	chg
Revenue	9,452	7,823	0.0%
Operating expenses	(9,862)	(7,074)	
Operating profit/(loss)	(410)	749	0.0%
Other operating income	224	295	
	(186)	1,044	0.0%
Finance costs	(4)	(8)	
Profit/(Loss) before taxation from discontinuing operations	(190)	1,036	-409.2%
Taxation	(30)	(147)	
Net profit/(loss) after tax from discontinuing operations	(220)	889	

The loss after tax of RM220,000 from the discontinuing operations is attributable entirely to the owners of the Company.

	(Unaudited)	
	9 Months Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Net Cash Flows:		
Operating activities	(4,018)	1,903
Investing activities	-	133
Financing activities	(106)	(102)
	(4,124)	1,934

A10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment, from the financial year ended 31 December 2020.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A11. Subsequent Events

On 12 November 2021, the Company announced that it had received the proceeds for the disposal of Techfast Precision Sdn Bhd (“TPSB”) pursuant to the share sale agreement with Mr. Lu Eng Shean as first announced on 14 April 2021. With the receipt of the full settlement for the disposal consideration, the disposal of TPSB is deemed completed and is no longer a subsidiary company.

There were no other material events subsequent to the end of the current quarter that have not been reflected in the financial statements, which are likely to substantially affect the results of the current quarter under review.

A12. Changes in Composition of the Group

On 2 August 2021, the Company incorporated a new wholly-owned subsidiary, Fast Solar Sdn Bhd (“Fast Solar”) with issued capital of RM100,000. The intended activities of Fast Solar are investment in solar, design, construct, operation of solar and trading of any solar related products. The Company owns 100% of the shares in Fast Solar.

There were no other changes in the composition of the Group that occurred in the quarter under review.

A13. Contingent Liabilities

There were no contingent liabilities as at the end of the quarter under review.

A14. Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at the end of the quarter under review.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING

A15. Related Party Transactions

There were no other related party transactions which would have a material impact on the financial position and the business of the Group during the current quarter, other than those disclosed below:

	(Unaudited)		(Unaudited)	
	<u>3 months ended (Quarter)</u>		<u>9 months ended (Cumulative)</u>	
Related Party Transactions	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	33	14	37	42
Firm connected to a director				
Professional fee payable to:				
- Michael Lim & Co.	-	-	-	54

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

3rd Quarter 2021 vs 3rd Quarter 2020

The Group revenue for the current quarter of RM52.91 million was significantly higher than the revenue of RM3.97 million recorded for the corresponding quarter in the previous year. The Group recorded a loss before taxation from continuing operations of RM2.61 compared to a profit before tax (“PBT”) of RM0.85 million in the corresponding quarter last year. Loss for the current quarter under review as largely due to one-off impairment loss of RM3.11 million relating to investment in subsidiary namely, Techfast Precision Sdn Bhd (“TPSB”) that was reclassified to non-current assets held-for-sale, coupled with professional fees incurred related to corporate exercises. Losses were buffered by share of results from associate company and PBT from rubber sheets and oil bunkering businesses.

Discontinuing operations posted a marginal profit of RM0.004 million for the quarter under review compared to RM0.25 million in the previous corresponding quarter. The lower results are attributable to higher operating costs, which is in line with the divestment strategy for the self-clinching fastener business.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) material segment recorded a PBT of RM0.47 million which was lower than RM1.03 million recorded in the corresponding quarter in the previous year. Total sales revenue of RM4.30 million for the quarter under review was higher compared to RM4.18 million for the corresponding quarter last year. The segment recorded lower PBT despite higher sales turnover due to higher selling and administrative expenses.

The oil bunkering business segment recorded PBT of RM0.37 million on the back of RM48.6 million in revenue. There were no comparative figures for the corresponding period in the previous year as the oil bunkering business commenced operations in December 2020.

3rd Quarter 2021 YTD vs 3rd Quarter 2020 YTD

For the nine months period ended 30 September 2021, total turnover of the Group was RM132.44 million. This was higher than RM12.86 million for the same period last year and increase in turnover was attributable to the oil bunkering business, which commenced operations in December 2020. However, the Group posted loss before taxation from continuing business of RM3.33 million compared to PBT of RM2.42 million for the same period last year. Losses before taxation was after including its share of results from associate company of RM0.54 million. Group loss was mainly attributable to one-off impairment of RM3.11 million relating to TPSB that had been reclassified as non-current assets held-for-sale.

The discontinuing SCF business posted a loss after tax of RM0.22 million for the period ended 30 September 2021 compared to a profit after tax of RM0.89 million for the nine months period last year. The loss incurred was partly due to Covid-related expenses.

The rubber sheets and epoxy segment recorded higher sales revenue of RM14.32 million for the period ended 30 September 2021 compared to RM13.92 million for the same period in the previous year. For the nine months period ended 30 September 2021, this business segment posted PBT of RM1.79 million that was lower than RM3.26 million recorded for the same period last year. The decrease in the PBT was partly due to higher administrative expenses and increased operating expenses for Covid-related expenditure.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B2. Comment on Material Change in Profit Before Taxation of Current Quarter Compared with the Immediate Preceding Quarter

	(Unaudited)		%
	3 months ended (Quarter)		
	30.09.2021	30.06.2021	
	RM'000	RM'000	<i>chg</i>
Revenue	52,913	69,964	-24.4%
Operating expenses	<u>(56,032)</u>	<u>(69,729)</u>	
Operating profit/(loss)	(3,119)	235	N/A
Other operating income	254	74	
	(2,865)	309	-1027.2%
Finance costs	(9)	(6)	
Share of results of associate, net of tax	261	275	
Profit/(Loss) before taxation	(2,613)	578	N/A
Income tax expense	(149)	(329)	
Profit/(Loss) after taxation from continuing operations	(2,762)	249	N/A
Loss after tax discontinued operations	4	(140)	
Net profit/(loss) after taxation	(2,758)	109	-2630.3%
Other comprehensive income:	-	-	
Total comprehensive income/(expense)	(2,758)	109	
Profit/(loss) attributable to:			
Owners of the Company	(2,758)	109	-2630.3%
Total comprehensive income/(loss) attributable to:			
Owners of the Company	(2,758)	109	-2630.3%

In the current quarter under review, the Group made loss before taxation from continuing operations of RM2.61 million compared to a profit before taxation ("PBT") of RM0.58 million. Loss for the current quarter was mainly due to one-off impairment of investment in TPSB that was now classified as non-current assets held-for-sale of about RM3.11 million in the current quarter partially offset by the share of results of associate company and PBT from rubber sheets and oil bunkering businesses.

The rubber sheets and epoxy material segment recorded a PBT of RM0.47 million on sales revenue of RM4.30 million, which was lower than PBT of RM0.81 million on sales revenue of RM4.90 million recorded in the previous quarter ended 30 June 2021. PBT was lower due to lower turnover which was also affected by lower gross profit margins quarter-on-quarter.

The oil bunkering business segment posted PBT of RM0.37 million in the current quarter compared to RM0.33 million in the June quarter. Margins was sustained despite lower turnover of RM48.61 million in current quarter compared to RM64.68 million in second quarter ended 30 June 2021.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. Prospects For The Financial Year Ending 31 December 2021

Oil Bunkering, Vessel Chartering and Petroleum Trading Segment

In an effort to expand Fast Energy Group's revenue and profits as well as diversify its earnings base, the Fast Energy Group is diversifying its principal activities to include oil bunkering, vessel chartering and petroleum trading business, thereby reducing its reliance on its manufacturing business segment. This new business segment commenced operations under its wholly-owned subsidiary, Fast Energy Sdn Bhd ("FESB") in December 2020 and Management hopes that this business will contribute to group profit going forward.

Additionally, the Company had also invested a 35% equity stake in CCK Petroleum Sdn Bhd on 24 March 2021 which includes a profit guarantee for two financial years. The Company's share of profit would amount to at least RM1.75 million for each of the two years during which the profit guarantee applies.

The recent increase in oil prices results in higher working capital requirements from oil bunkering players as supply needs to be secured at higher cost. This also dampens the profitability for this business segment. However, with the inflow of funds from the forthcoming rights issue, Management will be able to utilise the proceeds as working capital to fund a larger supply volume for our customers.

Taking into consideration the growing demand for marine fuel oils as global trade and shipping activities gain momentum following reopening of economies, Management is cautiously optimistic on the overall prospects of this business segment barring any unforeseen circumstances.

Renewable Energy Segment

On 2 August 2021, Fast Solar Sdn Bhd ("Fast Solar") was incorporated as a wholly-owned subsidiary with issued and paid-up capital of RM100,000. The intended principal activities of Fast Solar are investment in solar, design, construction and operation of solar and trading of any solar related products. Fast Solar has yet to commence operations as at 30 September 2021.

Management is further exploring options for identifying suitable business investments or strategic acquisitions in this area, aimed at providing additional revenue stream or creating new business synergies to the existing businesses of the Group.

On 7 October 2021, Fast Solar had entered into Solar Power Purchase Agreement with Volta Energy Sdn Bhd, Apex Office Furniture Exporter Sdn Bhd, Apex Office Furniture Sdn Bhd where Fast Solar has agreed to engage Volta Energy to construct a solar photovoltaic system and supply electricity for an initial purchase period of 25 years.

SCF Segment

Following the shareholders approval obtained for the disposal of 100% equity interest in Techfast Precision Sdn Bhd ("TPSB") which operates the self-clinching fastener business segment of the Group, the transaction was deemed completed with the receipt of full settlement of the disposal proceeds on 12 November 2021. As mentioned in item A11: Subsequent Events above, TPSB ceased to be a subsidiary of the Company on the said date.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Rubber Sheets and Epoxy Segment

With the pandemic still affecting travel plans, this business segment continue to struggle with providing onsite support to customers. While Management figures out a temporary workaround solution, this may result in the loss of customers in China and Taiwan, especially in light of aggressive activities from competitors in China. Materials shortages persist, driving up cost while logistics costs are still elevated due to the use of air freight instead of sea freight. Operationally, employee turnover has increased, which in turn, impacts productivity for the company.

Management expects a challenging business operating environment for the remaining year 2021. Business operational expenses have increased due to covid testing and prevention procedures put in place at its business premises.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	(Unaudited)		(Unaudited)	
	<u>3 months ended (Quarter)</u>		<u>9 months ended (Cumulative)</u>	
	<u>30.09.2021</u>	<u>30.09.2020</u>	<u>30.09.2021</u>	<u>30.09.2020</u>
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	165	273	686	851
Deferred taxation	-	(16)	(19)	22
	<u>165</u>	<u>257</u>	<u>667</u>	<u>873</u>
Overprovision for tax in prior year	<u>(16)</u>	<u>(19)</u>	<u>(16)</u>	<u>(19)</u>
Total income tax expense	<u>149</u>	<u>238</u>	<u>651</u>	<u>854</u>

The disproportionate tax charge of the Group is due to certain expenses of the Group companies which are not deductible for tax purposes and there is no Group relief over the loss making company within the Group.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. Corporate Proposals

On 16 July 2021, a circular was distributed together with a Notice to an Extraordinary General Meeting (“EGM”) to obtain the shareholders’ approval for a renounceable rights issue of up to 909,204,618 new ordinary shares in Fast Energy on the basis of 2 rights share for every 1 existing ordinary shares in Fast Energy Holdings Berhad (“Fast Share”) held, together with up to 454,602,309 free detachable warrants in Fast Energy (“Warrant(s)”) on the basis of 1 Warrant for every 2 Rights Shares subscribed for.

On 28 October 2021, the Board had fixed the price of the Rights at RM0.12 per rights and exercise price of the warrants at RM0.15 per warrant. The Company had since announced important relevant dates for the renounceable rights and the corporate exercise is yet to be completed as the date of this report.

The share sale agreement for the disposal of 100% equity interest in TPSB comprising 8,000,000 ordinary shares was completed on 12 November 2021. TPSB was reclassified as non-current assets held-for-sale as at the date of this report and its financial results were reported as discontinuing operations as the Group will no longer be operating the self-clinching fastener business.

B7. Utilisation of Proceeds from Corporate Proposals

On 15 December 2020, the Company completed a private placement exercise for the issue of 22,814,847 new shares at an issue price of 43.72 sen per share. The total proceeds raised from the private placement amounted to RM9,974,651 and the proceeds are to be allocated and utilised in accordance with the approved utilisation plan. The status of the utilisation as at 30 September 2021 were as follows:

Purpose	Timeframe for Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM '000	Balance to be Utilised RM '000
Working capital	Within 12 months from receipt of placement funds	9,874	7,849	2,025
Estimated expenses	Upon completion of exercise	100	100	-
Total		9,974	7,949	2,025

On 22 March 2021, the Company completed a private placement for the issue of 23,441,860 new shares at an issue price of 43 sen per share. The total proceeds raised from the private placement amounted to RM10,080,000. These proceeds were fully utilised as part settlement for the purchase of 175,000 ordinary shares in CCK Petroleum Sdn Bhd (“CCKSB”), representing 35% equity interest in CCKSB.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Group Borrowings

	As at 30.09.2021 RM '000	As at 31.12.2020 RM '000
Finance lease liabilities		
Repayable within one year denominated in Ringgit Malaysia	79	188
Repayable after one year denominated in Ringgit Malaysia	328	21
	<u>407</u>	<u>209</u>

B9. Changes in Material Litigation

The Company is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B10. Dividend Policy

A dividend policy of the Company was established and took effect from the financial year ended 31 December 2017. Fast Energy targets a payout ratio of at least 40% of its audited consolidated profit after taxation attributable to shareholders for each financial year, after excluding any income that is capital in nature.

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	(Unaudited) 3 months ended (Quarter)		(Unaudited) (Audited) 9 Months Ended (Cumulative)	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Net profit/(loss) attributable to owners of the Company (RM '000)	(2,758)	854	(4,197)	2,450
Weighted average number of ordinary shares in issue ('000)	387,077	227,612	387,077	227,612
Basic earnings/(loss) per share (sen)	(0.71)	0.38	(1.08)	1.08

(b) Diluted earnings / (loss) per share

	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Net profit/(loss) attributable to equity holders of the parent (RM '000)	(2,758)	854	(4,197)	2,450
Weighted average number of ordinary shares in issue ('000) - basic	387,077	228,148	387,077	228,148
Adjustment for ESOS ('000)	49,518	-	49,518	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	436,595	228,148	436,595	228,148
Diluted earnings/(loss) per share (sen)	(0.63)	N/A	(0.96)	N/A

NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2021

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. Notes to the Statement of Comprehensive Income

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

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	9	44	17	141
Interest expense	(15)	(3)	(31)	(11)
Depreciation and amortisation	(364)	(232)	(1,011)	(684)
Provision for obsolete stocks	-	(145)	-	(238)
Impairment of assets	(3,114)	-	(3,839)	-
Foreign exchange gain/(loss)	231	(96)	469	199

By order of the Board

Tan Tong Lang
Company Secretary
Dated: 23 November 2021