

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 FIRST QUARTER ENDED 31 MARCH 2022**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

	(Unaudited) 3 months ended (Quarter)			(Unaudited) 3 months ended (Cumulative)		
	31.03.2022 RM'000	31.03.2021 RM'000	% chg	31.03.2022 RM'000	31.03.2021 RM'000	% chg
Revenue	50,547	4,819	948.8%	50,547	4,819	948.8%
Operating expenses	(51,521)	(6,042)		(51,521)	(6,042)	
Operating loss	(974)	(1,223)	-20.3%	(974)	(1,223)	-20.3%
Other operating income	292	(13)		292	(13)	
	(682)	(1,236)	-44.8%	(682)	(1,236)	-44.8%
Share of profit from joint venture	230	-		230	-	
Share of results of associate company, net of tax	278	-		278	-	
Finance costs	(12)	(6)		(12)	(6)	
Loss before taxation from continuing operations	(186)	(1,242)	-85.0%	(186)	(1,242)	-85.0%
Taxation	(65)	0		(65)	0	
Net profit/(loss) after tax from continuing operations	(251)	(1,242)		(251)	(1,242)	
(Loss)/Profit after tax from discontinuing operations	(1,461)	(305)		(1,461)	(305)	
Net loss after taxation	(1,712)	(1,547)	-79.8%	(1,712)	(1,547)	10.7%
Other comprehensive income:	-	-		-	-	
Total comprehensive expense	(1,712)	(1,547)		(1,712)	(1,547)	
Loss attributable to:						
Owners of the Company	(1,712)	(1,547)	10.7%	(1,712)	(1,547)	10.7%
Total comprehensive loss attributable to:						
Owners of the Company	(1,712)	(1,547)	10.7%	(1,712)	(1,547)	10.7%
Loss per share attributable to owners of the parent:						
Basic (sen)	(0.30)	(0.59)		(0.30)	(0.59)	
Diluted (sen)	N/A	N/A		N/A	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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	(Unaudited) As at 31.03.2022 RM'000	(Audited) As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,596	4,490
Investment in associate	27,248	26,970
Amount owing by joint venture partner	10,195	10,123
Other investment	-	40
Right-of-use asset	283	328
Goodwill on acquisition	-	363
	<u>43,322</u>	<u>42,314</u>
Current assets		
Inventories	-	1,172
Trade and other receivables	52,591	51,213
Amount owing by associated company	-	10,920
Amount owing by joint venture partner	4,580	6,064
Tax recoverable	-	301
Fixed deposits with licensed banks	-	2,052
Cash and bank balances	1,139	9,321
Non-current asset held-for-sale	10,451	-
	<u>68,761</u>	<u>81,043</u>
TOTAL ASSETS	<u>112,083</u>	<u>123,357</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	116,754	116,754
Discount on equity	(5,336)	(5,336)
Warrant reserve	5,336	5,336
Accumulated losses	(9,951)	(8,239)
Total equity	<u>106,803</u>	<u>108,515</u>
Non-current liabilities		
Finance lease liabilities	-	851
Lease liability	246	126
Deferred taxation	-	130
	<u>246</u>	<u>1,107</u>
Current liabilities		
Trade and other payables	341	13,341
Finance lease liabilities	1,298	177
Tax payable	17	37
Lease liability	-	180
Liabilities relating to non-current asset held-for-sale	3,378	-
	<u>5,034</u>	<u>13,735</u>
Total liabilities	<u>5,280</u>	<u>14,842</u>
TOTAL EQUITY AND LIABILITIES	<u>112,083</u>	<u>123,357</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>18.4</u>	<u>18.7</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2022**

	Share Capital RM'000	Discount on Equity RM'000	Warrant Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Equity Attributable to Owners of the Parent RM'000
Balance at 1 January 2021	39,920	-	-	(2,559)	37,361
Net loss for the period	-	-	-	(1,547)	(1,547)
Issue of shares	10,080	-	-	-	10,080
Private placement	28,233	-	-	-	28,233
Balance as at 31 March 2021	78,233	-	-	(4,106)	74,127
Balance at 1 January 2022	116,754	(5,336)	5,336	(8,239)	108,515
Net loss for the period	-	-	-	(1,712)	(1,712)
Balance as at 31 March 2022	116,754	(5,336)	5,336	(9,951)	106,803

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022**

	(Unaudited) 3 Months Ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation		
- Continuing operations	(186)	(1,242)
- Discontinuing operations	846	596
<u>Adjustments for:</u>		
Non-cash items	951	223
Non-operating items	(25)	(2)
Operating profit/(Loss) before working capital changes	<u>1,586</u>	<u>(425)</u>
<u>Changes in working capital:</u>		
Net change in current assets	4,902	(10,632)
Net change in current liabilities	(10,155)	(566)
Repayment of lease liabilities	-	(42)
Cash used in operations	<u>(3,667)</u>	<u>(11,665)</u>
Tax (paid)/refunded	(359)	(320)
Net cash used in operating activities	<u>(4,026)</u>	<u>(11,985)</u>
Cash Flows From Investing Activities		
Rental income	(14)	-
Interest received:		
- Continuing operations	-	1
- Discontinuing operations	11	1
Purchase of property, plant and equipment	(4,035)	(31)
Acquisition of stake in associate company	-	(26,250)
Net cash used in investing activities	<u>(4,038)</u>	<u>(26,279)</u>
Cash Flow From Financing Activities		
Proceeds from issue of new shares	-	38,314
Net increase/(Repayment) of hire purchase creditors	623	(62)
Repayment of lease liability	(60)	-
Net cash generated from financing activities	<u>563</u>	<u>38,252</u>
NET DECREASE CASH AND CASH EQUIVALENTS	<u>(7,501)</u>	<u>(12)</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>11,301</u>	<u>17,728</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>3,800</u>	<u>17,716</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	-	1,170
Cash and bank balances	1,139	16,124
Cash and cash equivalents of non-current assets held-for-sale	<u>2,661</u>	<u>792</u>
	3,800	18,086
Less : Fixed deposits pledged to a licensed bank	-	(70)
Deposits with maturity period of more than three months	-	(300)
	<u>3,800</u>	<u>17,716</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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 2021 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 2021.

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 2021 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 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
Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current and Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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

A3. Auditor’s Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2021 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 – 31 MARCH 2022

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

A9. Discontinued Operations

The discontinued operations related to the cessation of the Company's mould cleaning rubber sheets and LED epoxy encapsulant business segment following the signing of a share sale agreement on 12 May 2022 for the disposal of 100% equity interest in Cape Technology Sdn Bhd ("Cape"). The disposal is expected to be completed within three (3) months from the signing of the share sale agreement, if the extension of a further 3 months is not exercised.

Accordingly, the Group has presented and disclosed in these interim financial statements (including comparative information) the results of Cape, Oriem Technology Sdn Bhd ("Oriem") and Techfast Precision Sdn Bhd ("TPSB") under discontinued operations in accordance with MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations), separately from continuing operations. The disposal of Oriem and TPSB was completed during the financial year ended 31 December 2021.

The results of discontinuing operations are as follows:

	3 months ended (Cumulative)		
	31.03.2022	31.03.2021	%
	RM'000	RM'000	chg
Revenue	5,302	7,986	-33.6%
Operating expenses	(4,477)	(7,554)	
Operating profit	825	432	91.0%
Other operating income	25	166	
Finance costs	850	598	42.1%
	(4)	(2)	
Profit before taxation from discontinuing operations	846	596	41.9%
Taxation	(279)	(198)	
Net profit/(loss) after tax from discontinuing operations	567	398	42.5%
Loss on sale of discontinued operations	(2,028)	(703)	
Profit/(Loss) for the year	(1,461)	(305)	379.0%

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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

A10. Segmental Information

	Investment Holding RM'000	Bunkering, vessel chartering and petroleum trading RM'000	Renewable energy RM'000	Adjustment and elimination RM'000	Consolidation RM'000
3 Months Ended					
31.03.2022					
External sales	-	50,487	60	-	50,547
Inter-segment revenue	150	-	-	(150)	-
Total	150	50,487	60	(150)	50,547
Operating segment profit/(loss)	(11,200)	80	(3)	10,441	(682)
Share of joint venture profit	-	230	-	-	230
Share of results of associate, net of tax	-	-	-	278	278
Finance cost	(5)	(4)	(3)	-	(12)
Profit/(loss) before taxation	(11,205)	306	(6)	10,719	(186)
Taxation	-	(65)	-	-	(65)
Net profit/(loss) after taxation from continuing operations	(11,205)	241	(6)	10,719	(251)
Profit/(loss) from discontinuing operations					(1,461)
Net profit/(loss) after taxation					(1,712)
Segment assets	105,843	69,534	4,090	(77,835)	101,632
Unallocated corporate asset					-
Non-current assets held-for-sale					10,451
					112,083
Segment liabilities	316	48,959	2,123	(49,496)	1,902
Liabilities relating to non- current assets held-for-sale					3,378
					5,280
3 Months Ended					
31.03.2021					
External sales	-	4,819	-	-	4,819
Inter-segment revenue	300	-	-	(300)	-
Total	300	4,819	-	(300)	4,819
Operating segment profit/(loss)	(3,752)	(55)	-	2,571	(1,236)
Finance cost	(6)	-	-	-	(6)
Profit/(loss) before taxation	(3,758)	(55)	-	2,571	(1,242)
Taxation	-	-	-	-	-
Net profit/(loss) after taxation from continuing operations	(3,758)	(55)	-	2,571	(1,242)
Profit/(loss) from discontinuing operations					(305)
Net profit/(loss) after taxation					(1,547)
Segment assets	81,093	27,215	-	(52,622)	55,686
Unallocated corporate asset					363
Non-current assets held-for-sale					23,104
					79,153
Segment liabilities	557	27,157	-	(27,601)	113
Liabilities relating to non- current assets held-for-sale					4,912
					5,025

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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

A11. 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 2021.

A12. Subsequent Events

On 12 May 2022, the Company entered a share sale agreement with Mr. Tan Cheik Eaik for the proposed disposal of the Company's 100% equity interest in Cape Technology Sdn Bhd for a disposal consideration of RM8,000,000 to be wholly satisfied in cash. The disposal is expected to be completed within 3 months from the date of signing the agreement, if the automatic extension of a further 3 months is not exercised. Following the completion of disposal, Cape will cease to be a subsidiary company of Fast Energy.

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.

A13. Changes in Composition of the Group

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

A14. Contingent Liabilities

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

A15. 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.

A16. 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:

	3 months ended (Quarter)		3 months ended (Cumulative)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Related Party Transactions	RM'000	RM'000	RM'000	RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	-	1	-	1

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 – 31 MARCH 2022

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

B1. Review of Performance

1st Quarter 2022 vs 1st Quarter 2021

The Group revenue from continuing operations for the first quarter ended 31 March 2022 was RM50.55 million compared to RM4.82 million recorded for the corresponding quarter in the previous year. This increase in revenue was mainly due to increase in the Group's bunkering services and petroleum trading business segment.

The Group recorded a loss before taxation from continuing operations of RM0.19 million compared to a loss of RM1.24 million in the corresponding quarter last year. Loss for the current quarter from continuing operations was after taking into account share of profit from joint venture of RM0.23 million and share of results of associate company of RM0.28 million for the current quarter.

Discontinued operations posted a net loss of RM1.46 million compared to a loss of RM0.31 million for the same period last year. Results of discontinued operations included an impairment loss of RM2.03 million for the current quarter ended 31 March 2022.

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

	(Unaudited)		%
	3 months ended (Quarter)		
	31.03.2022	31.12.2021	
	RM'000	RM'000	chg
Revenue	50,547	57,026	-11.4%
Operating expenses	(51,521)	(55,872)	
Operating profit/(loss)	(974)	1,154	-184.4%
Other operating income	292	(264)	
	(682)	890	-176.6%
Share of profit from joint venture	230	307	
Share of results of associate, net of tax	278	185	
Finance costs	(12)	(5)	
Profit/(Loss) before taxation	(186)	1,377	-113.5%
Income tax expense	(65)	(78)	
Profit/(Loss) after taxation from continuing operations	(251)	1,299	-113.5%
Loss after tax from discontinuing operations	(1,461)	(2,782)	
Net loss after taxation	(1,712)	(1,483)	15.4%
Other comprehensive income:	-	-	
Total comprehensive loss	(1,712)	(1,483)	
Loss attributable to:			
Owners of the Company	(1,712)	(1,483)	15.4%
Total comprehensive loss attributable to:			
Owners of the Company	(1,712)	(1,483)	15.4%

In the current quarter under review, the Group made a net loss of RM1.71 million compared to loss of RM1.48 million for the prior quarter ended 31 December 2021. The loss from the prior quarter ended 31 December 2021 included the realisation of loss on disposal of Techfast Precision Sdn Bhd of RM3.04 million.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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 2022

Oil Bunkering, Vessel Chartering and Petroleum Trading Segment

Maritime trade had rebounded in the year 2021 in tandem with recovery in merchandise trade and world output. While medium term outlook remains positive, growth is subject to mounting uncertainties over inflationary concerns in the world economy. Nevertheless, maritime transport remains an essential sector for the continued delivery of critical supplies and global trade during the recovery stages from a global pandemic.

To further enhance the earnings of the Group, the Company proposed to acquire another 175,000 ordinary shares in CCK Petroleum Sdn Bhd (“CCKSB”), representing a 35% equity interest. As at the date of this report, CCKSB is a 35%-owned associate company of the Company. Upon completion of the proposed acquisition, Fast Energy will hold 70% equity interest in CCKSB and accordingly, CCKSB will become a subsidiary.

Premised on the above and 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 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.

Construction of the solar photovoltaic system has been completed and handed over on 26 January 2022 and the business commenced operations henceforth. The Company sees growth opportunities in the renewable energy space as it is without a doubt, the future of energy consumption. Overall, the renewable energy business globally was resilient during the pandemic because most large scale renewable energy projects are on long term contracts and provide zero marginal cost generation as sun and wind are free. There is also a growing B2B segment that is installing solar panels on rooftops of factories and supermarkets for self-consumption.

There is still plenty of room for solar energy in Malaysia since the total share of non-hydro renewables is still small. While there are challenges for solar renewable energy, Management will continue its efforts to grow in this business segment of the Group.

Rubber Sheets and Epoxy Segment

With the signing of the share sale agreement for the disposal of 100% equity interest in Cape Technology Sdn Bhd, the Group will be focusing on the oil bunkering, petroleum trading and renewable energy business segments going forward.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	<u>3 months ended (Quarter)</u>		<u>3 months ended(Cumulative)</u>	
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Continuing operations:				
Malaysian income tax	65	-	65	-
Deferred taxation	-	-	-	-
	<u>65</u>	<u>-</u>	<u>65</u>	<u>-</u>
Underprovision for tax in prior year	-	-	-	-
Total income tax expense	<u>65</u>	<u>-</u>	<u>65</u>	<u>-</u>
Discontinuing operations:				
Malaysian income tax	<u>279</u>	<u>198</u>	<u>279</u>	<u>198</u>
Total income tax expense	<u>344</u>	<u>198</u>	<u>344</u>	<u>198</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.

B6. Corporate Proposals

On 18 May 2022, the Company announced the following corporate proposals:

- (i) proposed consolidation of every 6 existing ordinary shares in Fast Energy held by the shareholders of Fast Energy into 1 ordinary share in Fast Energy;
- (ii) a private placement of up to 35% of the total number of issued shares of Fast Energy to third party investors. The proposed private placement is not undertaken in accordance with a general mandate pursuant to Sections 75 and 76 of the Companies Act 2016. As such, the proposed private placement is subject to specific shareholder approval pursuant to Rule 6.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- (iii) acquisition of 175,000 ordinary shares in CCK Petroleum Sdn Bhd ("**CCKSB**"), which represents 35.0% equity interest in CCKSB from Mohd Faizul bin Nasir for RM28,000,000. The purchase consideration will be satisfied via a combination of RM23,972,660 in cash and RM4,027,340 via the issuance of 11,800,000 new ordinary shares in Fast Energy at an issue price of RM0.3413 per Fast Energy share after the completion of the proposed share consolidation. CCKSB is now a 35% owned associate company of Fast Energy. Upon completion of the proposed acquisition, Fast Energy will hold 70% equity interest in CCKSB and accordingly, CCKSB will become a subsidiary company.

It is the intention of the Company to implement the proposed private placement and proposed acquisition of additional equity interest in CCKSB after the completion of the proposed share consolidation.

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2022

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

B7. Utilisation of Proceeds from Corporate Proposals

On 17 December 2021, the Company raised RM20,926,679 from the issue of 174,388,993 new ordinary shares at 12 sen from the renounceable rights issue. The gross proceeds raised from this issue pursuant to the rights issue had been fully utilised as at 31 March 2022 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 funds	20,535	20,535	-
Estimated expenses	Upon completion of exercise	392	392	-
Total		20,927	20,927	-

B8. Group Borrowings

	As at 31.03.2022 RM '000	As at 31.12.2021 RM '000
Finance lease liabilities		
Repayable within one year denominated in Ringgit Malaysia	1,298	177
Repayable after one year denominated in Ringgit Malaysia	-	851
	<u>1,298</u>	<u>1,028</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 – 31 MARCH 2022

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

B11. Earnings / (Loss) Per Share (“EPS”)

(a) Basic loss per share

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Net loss attributable to owners of the Company (RM '000)	(1,712)	(1,547)	(1,712)	(1,547)
Weighted average number of ordinary shares in issue ('000)	579,473	261,412	579,473	261,412
Basic loss per share (sen)	(0.30)	(0.59)	(0.30)	(0.59)

(b) Diluted loss per share

The loss per share has not been adjusted for the potential impact arising from the conversion of warrants to ordinary shares as the effect will anti-dilutive to the loss per share.

B12. Notes to the Statement of Comprehensive Income

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

	3 months ended (Quarter)		3 Months Ended (Cumulative)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	12	45	12	45
Interest expense	(15)	(4)	(15)	(4)
Depreciation and amortisation	(232)	(223)	(232)	(223)
Provision for obsolete stocks	-	(93)	-	(93)
Impairment of assets	(2,029)	-	(2,029)	-
Foreign exchange gain/(loss)	314	346	314	346

By order of the Board

Tan Tong Lang
 Company Secretary
 Dated: 30 May 2022