

FAST ENERGY HOLDINGS BERHAD

(Registration No.: 200401009317 (647820-D))

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

FAST ENERGY HOLDINGS BERHAD

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | (Unaudited) | | | (Unaudited) | | |
|--|--------------------------|-------------------|-------|------------------------------|-------------------|--------|
| | 3 months ended (Quarter) | | | 12 months ended (Cumulative) | | |
| | 31.12.2022 | 31.12.2021 | % | 31.12.2022 | 31.12.2021 | % |
| | RM'000 | RM'000 | chg | RM'000 | RM'000 | chg |
| Revenue | 76,986 | 57,403 | 34.1% | 272,053 | 175,518 | 55.0% |
| Operating expenses | (78,915) | (58,885) | | (278,873) | (180,037) | |
| Operating loss | (1,929) | (1,482) | 30.2% | (6,820) | (4,519) | 50.9% |
| Other operating income/(loss) | (1,156) | (264) | | 2,740 | - | |
| | (3,085) | (1,746) | 76.7% | (4,080) | (4,519) | -9.7% |
| Share of profit from joint venture | 248 | 307 | | 955 | 307 | |
| Share of results of associate company, net of tax | (236) | 185 | | 217 | 720 | |
| Finance costs | (47) | (5) | | (84) | (21) | |
| Loss before taxation | (3,120) | (1,259) | | (2,992) | (3,513) | |
| from continuing operations | | | | | | |
| Taxation | 472 | (78) | | (554) | (183) | |
| Net profit/(loss) after tax from continuing operations | (2,648) | (1,337) | | (3,546) | (3,696) | |
| Profit/(Loss) after tax from discontinuing operations | - | (146) | | (947) | (1,984) | |
| Net loss after taxation | (2,648) | (1,483) | 78.6% | (4,493) | (5,680) | -20.9% |
| Other comprehensive income: | - | - | | - | - | |
| Total comprehensive expense | (2,648) | (1,483) | 78.6% | (4,493) | (5,680) | -20.9% |
| Loss attributable to: | | | | | | |
| Owners of the Company from | | | | | | |
| - continuing operations | (2,653) | (1,337) | | (3,551) | (3,696) | |
| - discontinued operations | - | (146) | | (947) | (1,984) | |
| | (2,653) | (1,483) | | (4,498) | (5,680) | |
| Non-Controlling Interests from | | | | | | |
| - continuing operations | 5 | - | | 5 | - | |
| - discontinued operations | - | - | | - | - | |
| | 5 | - | | 5 | - | |
| | (2,648) | (1,483) | | (4,493) | (5,680) | |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the Company from | | | | | | |
| - continuing operations | (2,653) | (1,337) | | (3,551) | (3,696) | |
| - discontinued operations | - | (146) | | (947) | (1,984) | |
| | (2,653) | (1,483) | | (4,498) | (5,680) | |
| Non-Controlling Interests from | | | | | | |
| - continuing operations | 5 | - | | 5 | - | |
| - discontinued operations | - | - | | - | - | |
| | 5 | - | | 5 | - | |
| | (2,648) | (1,483) | | (4,493) | (5,680) | |
| Basic loss per share attributable to owners of the parent from: | | <i>(restated)</i> | | | <i>(restated)</i> | |
| - continuing operations | (2.01) | (1.00) | | (2.69) | (2.78) | |
| - discontinuing operations | - | (0.11) | | (0.72) | (1.49) | |
| | (2.01) | (1.11) | | (3.41) | (4.27) | |

(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.)

FAST ENERGY HOLDINGS BERHAD

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

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

| | (Unaudited) As at 31.12.2022 RM'000 | (Audited) As at 31.12.2021 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 13,931 | 4,490 |
| Investment in associate | - | 26,970 |
| Amount owing by joint venture partner | 4,267 | 10,123 |
| Other investment | - | 40 |
| Right-of-use asset | 166 | 328 |
| Goodwill on acquisition | 50,147 | 363 |
| | <u>68,511</u> | <u>42,314</u> |
| Current assets | | |
| Inventories | - | 1,172 |
| Trade and other receivables | 53,889 | 51,214 |
| Amount owing by associated company | - | 10,920 |
| Amount owing by joint venture partner | 6,374 | 6,064 |
| Tax recoverable | 1,530 | 301 |
| Fixed deposits with licensed banks | - | 2,051 |
| Cash and bank balances | 9,586 | 9,321 |
| | <u>71,379</u> | <u>81,043</u> |
| TOTAL ASSETS | <u>139,890</u> | <u>123,357</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 135,799 | 116,754 |
| Discount on equity | (5,336) | (5,336) |
| Warrant reserve | 5,336 | 5,336 |
| Accumulated losses | (12,737) | (8,239) |
| | <u>123,062</u> | <u>108,515</u> |
| Non-controlling interests | 1,371 | - |
| Total equity | <u>124,433</u> | <u>108,515</u> |
| Non-current liabilities | | |
| Finance lease liabilities | 464 | 851 |
| Lease liability | 126 | 126 |
| Deferred taxation | 1,081 | 130 |
| | <u>1,671</u> | <u>1,107</u> |
| Current liabilities | | |
| Trade and other payables | 8,710 | 13,341 |
| Finance lease liabilities | 808 | 177 |
| Tax payable | 187 | 37 |
| Lease liability | 17 | 180 |
| Borrowings | 4,064 | - |
| | <u>13,786</u> | <u>13,735</u> |
| Total liabilities | <u>15,457</u> | <u>14,842</u> |
| TOTAL EQUITY AND LIABILITIES | <u>139,890</u> | <u>123,357</u> |
| Net tangible assets per share attributable to equity holders of the parent (sen) | <u>38.9</u> | <u>57.8</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.)

FAST ENERGY HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|---|----------------------------|---------------------------------|------------------------------|--|--|--|---------------------------|
| Balance as at 1 January 2021 | 39,920 | - | - | (2,559) | 37,361 | - | 37,361 |
| Net loss for the period | - | - | - | (5,680) | (5,680) | - | (5,680) |
| Rights issue | 20,927 | - | - | - | 20,927 | - | 20,927 |
| Warrants issue | - | (5,336) | 5,336 | - | - | - | - |
| Share options vested | 93 | - | - | - | 93 | - | 93 |
| Issue of shares | 27,580 | - | - | - | 27,580 | - | 27,580 |
| Private placement | 28,234 | - | - | - | 28,234 | - | 28,234 |
| Balance as at 31 December 2021 | 116,754 | (5,336) | 5,336 | (8,239) | 108,515 | - | 108,515 |
| Balance as at 1 January 2022 | 116,754 | (5,336) | 5,336 | (8,239) | 108,515 | - | 108,515 |
| Net loss for the period | - | - | - | (4,498) | (4,498) | 5 | (4,493) |
| Share options vested under ESOS | 1,506 | - | - | - | 1,506 | - | 1,506 |
| Purchase of additional shares in associate company | 4,027 | - | - | - | 4,027 | 1,366 | 5,393 |
| Issue of new shares | 4,477 | - | - | - | 4,477 | - | 4,477 |
| Private placement | 9,035 | - | - | - | 9,035 | - | 9,035 |
| Balance as at 31 December 2022 | 135,799 | (5,336) | 5,336 | (12,737) | 123,062 | 1,371 | 124,433 |

(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.)

FAST ENERGY HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

| | (Unaudited) | |
|---|-----------------|-----------------|
| | 12 months ended | |
| | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Profit/(Loss) before taxation | | |
| - Continuing operations | (2,992) | (3,513) |
| - Discontinuing operations | 2,324 | 2,350 |
| <u>Adjustments for:</u> | | |
| Non-cash items | 5,707 | (837) |
| Non-operating items | (55) | (58) |
| Operating profit/(Loss) before working capital changes | 4,984 | (2,058) |
| <u>Changes in working capital:</u> | | |
| Net change in current assets | (852) | (68,613) |
| Net change in current liabilities | (861) | 10,723 |
| Cash generated from/(used in) operations | 3,271 | (59,948) |
| Tax (paid)/refunded | (1,906) | (1,379) |
| Net cash generated from/(used in) operating activities | 1,365 | (61,327) |
| Cash Flows From Investing Activities | | |
| Placement of deposits more than 3 months | - | (1) |
| Rental income | 27 | 41 |
| Interest received: | | |
| - Continuing operations | 7 | 17 |
| - Discontinuing operations | 20 | 1 |
| Purchase of property, plant and equipment | (6,471) | (1,780) |
| Acquisition of stake in associate company | (23,000) | (26,250) |
| Proceeds from disposal of subsidiary company | 4,317 | 5,136 |
| Net cash used in investing activities | (25,100) | (22,836) |
| Cash Flow From Financing Activities | | |
| Proceeds from issue of new shares | 17,539 | 76,741 |
| Drawdown/(Repayment) of term loans | 4,064 | - |
| Net increase of hire purchase creditors | 673 | 811 |
| Interest paid | (93) | - |
| Repayment of lease liability | (163) | (171) |
| Net cash generated from financing activities | 22,020 | 77,381 |
| NET DECREASE CASH AND CASH EQUIVALENTS | (1,715) | (6,782) |
| Effects of exchange rate changes | - | 355 |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR | 11,301 | 17,728 |
| CASH AND CASH EQUIVALENTS AS AT END OF YEAR | 9,586 | 11,301 |
| <u>Cash and cash equivalents comprise:</u> | | |
| Deposits with licensed banks | - | 2,051 |
| Cash and bank balances | 9,586 | 9,321 |
| | 9,586 | 11,372 |
| Less : Fixed deposits pledged to a licensed bank | - | (71) |
| | 9,586 | 11,301 |

(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.)

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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

On 14 October 2022, the Company issued 12,000,000 ordinary shares at 12.48 sen per share pursuant to a private placement exercise.

On 19 October 2022, the Company issued 11,800,000 ordinary shares as part consideration for the purchase of additional 35% equity interest in CCK Petroleum Sdn Bhd. The Company already owns 35% equity stake which it had purchased on 24 March 2021.

On 4 November 2022, the Company issued 7,500,000 ordinary shares at 10.19 sen per share pursuant to a private placement exercise.

On 15 November 2022, the Company issued 8,000,000 ordinary shares at 8.67 sen per share pursuant to a private placement exercise.

On 21 November 2022, the Company issued 5,500,000 ordinary shares at 8.98 sen per share pursuant to a private placement exercise.

On 5 December 2022, the Company issued 13,700,000 ordinary shares at 8.77 sen per share pursuant to a private placement exercise.

On 13 December 2022, the Company issued 5,818,966 ordinary shares at 9.28 sen per share pursuant to a private placement exercise.

As at 31 December 2022, the Company has a total issued and paid-up capital of RM135,799,157 comprised of 187,216,675 ordinary shares.

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

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022

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

A8. Dividend Paid or Proposed

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

A9. Discontinued Operations

The discontinued operations related to the cessation of the Company's mould cleaning rubber sheets and self-clinching fastener business segments. This followed the disposal of wholly-owned subsidiary company, namely Cape Technology Sdn Bhd ("Cape"), which was completed on 2 September 2022 and the disposals of subsidiary companies Oriem Technology Sdn Bhd ("Oriem") and Techfast Precision Sdn Bhd ("TPSB"), both of which were completed during the financial year ended 31 December 2021.

Accordingly, the Group had presented and disclosed in these interim financial statements (including comparative information) the results of Cape, Oriem and TPSB under discontinued operations in accordance with MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations, separately from continuing operations of the Group.

The results of discontinued operations included in the financial year ended 31 December 2022 were as follows:

| | (Unaudited) | | |
|--|-----------------|----------------|--------|
| | 12 months ended | | |
| | 31.12.2022 | 31.12.2021 | % |
| | RM'000 | RM'000 | chg |
| Revenue | 14,250 | 30,674 | -53.5% |
| Operating expenses | (12,098) | (28,725) | |
| Operating profit | 2,152 | 1,949 | |
| Other operating income | 182 | 414 | |
| | 2,334 | 2,363 | |
| Finance costs | (10) | (13) | |
| Profit before taxation from discontinuing operations | 2,324 | 2,350 | -1.1% |
| Taxation | (669) | (596) | |
| Net profit/(loss) after tax from discontinuing operations | 1,655 | 1,754 | -5.6% |
| Loss on sale of discontinued operations | (2,602) | (3,738) | |
| Profit/(Loss) for the year | (947) | (1,984) | -52.3% |

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 |
|--|---------------------------------|--|-------------------------------|--|-------------------------|
| 12 Months Ended | | | | | |
| 31.12.2022 | | | | | |
| External sales | - | 271,767 | 285 | 1 | 272,053 |
| Inter-segment revenue | 400 | - | - | (400) | - |
| Total | 400 | 271,767 | 285 | (399) | 272,053 |
| Operating segment profit/(loss) | (12,995) | (270) | (69) | 9,254 | (4,080) |
| Share of joint venture profit | - | 955 | - | - | 955 |
| Share of results of associate, net of tax | - | - | - | 217 | 217 |
| Finance cost | (12) | (43) | (29) | - | (84) |
| Profit/(loss) before taxation | (13,007) | 642 | (98) | 9,471 | (2,992) |
| Taxation | - | (536) | (18) | - | (554) |
| Net profit/(loss) after taxation from continuing operations | (13,007) | 106 | (116) | 9,471 | (3,546) |
| Profit/(loss) from discontinuing operations | | | | | (947) |
| Net profit/(loss) after taxation | | | | | (4,493) |
| Segment assets | 127,911 | 68,590 | 3,906 | (110,664) | 89,743 |
| Unallocated corporate asset | | | | | 50,147 |
| | | | | | 139,890 |
| Segment liabilities | 5,142 | 47,051 | 2,047 | (38,783) | 15,457 |
| 12 Months Ended | | | | | |
| 31.12.2021 | | | | | |
| External sales | - | 175,518 | - | - | 175,518 |
| Inter-segment revenue | 1,500 | - | - | (1,500) | - |
| Total | 1,500 | 175,518 | - | (1,500) | 175,518 |
| Operating segment profit/(loss) | (6,063) | 197 | - | 1,347 | (4,519) |
| Share of joint venture profit | - | 307 | - | - | 307 |
| Share of results of associate, net of tax | - | - | - | 720 | 720 |
| Finance cost | (21) | - | - | - | (21) |
| Profit/(loss) before taxation | (6,084) | 504 | - | 2,067 | (3,513) |
| Taxation | - | (183) | - | - | (183) |
| Net profit/(loss) after taxation from continuing operations | (6,084) | 321 | - | 2,067 | (3,696) |
| Profit/(loss) from discontinuing operations | | | | | (1,984) |
| Net profit/(loss) after taxation | | | | | (5,680) |
| Segment assets | 117,476 | 65,879 | - | (60,361) | 122,994 |
| Unallocated corporate asset | | | | | 363 |
| | | | | | 123,357 |
| Segment liabilities | 745 | 55,668 | - | (41,571) | 14,842 |

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 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 16 February 2023, the Company issued additional 20,000,000 ordinary shares pursuant to the exercise of share options granted under the Employee Share Options Scheme at an issue price of RM0.126 per share.

The Company also incorporated two (2) wholly-owned subsidiary companies subsequent to the financial year ended 31 December 2022 as follows:

Fast Assets Sdn Bhd (“FASB”) was incorporated on 9 February 2023 with an issued share capital of RM100,000 comprising 100,000 ordinary shares. The intended principal activities of FASB are investment holding, trading in residential and commercial properties and managing of activities related to property investment. FASB has yet to commence operations since its incorporation.

Fast Technology Sdn Bhd (“FTSB”) was incorporated on 10 February 2023 with an issued share capital of RM100,000 comprising 100,000 ordinary shares. The intended principal activities of FTSB are to wholesale, distribute and retail mobile devices, electronic products and components of electronic applications. FTSB has also yet to commence operations since its incorporation.

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

On 2 December 2022, the Company completed the acquisition of additional 35% equity interest in CCK Petroleum Sdn Bhd (“CCKSB”), which means the Company now has a total shareholding of 70% equity interest in CCKSB. Following the completion of the 2nd tranche of acquisition, CCKSB is now a 70%-owned subsidiary of the Company and its financial results are consolidated as part of the Group financial performance.

There were no other changes in the composition of the Group for 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.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**A. EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING**

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:

| | <u>3 months ended (Quarter)</u> | | <u>12 months ended (Cumulative)</u> | |
|--|---------------------------------|-------------------|-------------------------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> | <u>31.12.2022</u> | <u>31.12.2021</u> |
| 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 | 11 | 41 | 47 |

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.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022

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

B1. Review of Performance

4th Quarter 2022 vs 4th Quarter 2021

The Group revenue from continuing operations for the fourth quarter ended 31 December 2022 was 34.1% higher at RM76.99 million compared to RM57.40 million for the corresponding quarter in the previous year. This increase in revenue was mainly due to increase in the Group's oil bunkering and petroleum trading business segment and consolidation of revenue from now 70%-owned subsidiary company, CCKSB.

The Group recorded a loss before taxation from continuing operations of RM3.12 million compared to a loss of RM1.26 million in the corresponding quarter last year. Loss for the current quarter from continuing operations included increase in operating expenses and higher net unrealised foreign exchange losses of about RM1.98 million.

Overall, the Group recorded a net loss of RM2.65 million compared to a loss of RM1.48 million for the quarter under review.

Full year 2022 vs full year 2021

The Group revenue from continuing operations for the financial year ended 31 December 2022 was RM272.05 million compared to RM175.52 million recorded for the corresponding previous financial year. This increase in revenue was mainly due to increase in the Group's oil bunkering and petroleum trading business segment and the consolidation of results of CCKSB business.

The Group recorded a loss before taxation from continuing operations of RM2.99 million compared to a loss of RM3.51 million in the corresponding period last year. Loss before tax was lower for the quarter was mainly due to net foreign exchange gain for the financial year.

Discontinued operations posted a net loss of RM0.95 million compared to net loss of RM1.98 million in the previous year.

Overall, the Group recorded net loss of RM4.49 million for the financial year ended 31 December 2022 compared to loss of RM5.68 million for the same period last year.

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| | (Unaudited) | | % |
|---|---------------------------------|-------------------|---------------|
| | 3 months ended (Quarter) | | |
| | 31.12.2022 | 30.09.2022 | |
| | RM'000 | RM'000 | chg |
| Revenue | 76,986 | 55,879 | 37.8% |
| Operating expenses | (78,915) | (58,330) | |
| Operating loss | (1,929) | (2,451) | |
| Other operating income/(loss) | (1,156) | 1,837 | |
| | (3,085) | (614) | 402.4% |
| Share of profit from joint venture | 248 | 243 | |
| Share of results of associate, net of tax | (236) | (25) | |
| Finance costs | (47) | (12) | |
| Loss before taxation | (3,120) | (408) | 664.7% |
| Income tax expense | 472 | (527) | |
| Loss after taxation from continuing operations | (2,648) | (935) | 183.2% |
| Profit/(Loss) after tax from discontinuing operations | - | (225) | |
| Net loss after taxation | (2,648) | (1,160) | 128.3% |
| Other comprehensive income: | - | - | |
| Total comprehensive loss | (2,648) | (1,160) | 128.3% |
| Loss attributable to: | | | |
| Owners of the Company from | | | |
| - continuing operations | (2,653) | (935) | |
| - discontinued operations | - | (225) | |
| | (2,653) | (1,160) | |
| Non-controlling interests from | | | |
| - continuing operations | 5 | - | |
| - discontinued operations | - | - | |
| | 5 | - | |
| | (2,648) | (1,160) | |
| Total comprehensive loss attributable to: | | | |
| Owners of the Company | | | |
| - continuing operations | (2,653) | (935) | |
| - discontinued operations | - | (225) | |
| | (2,653) | (1,160) | |
| Non-controlling interests | | | |
| - continuing operations | 5 | - | |
| - discontinued operations | - | - | |
| | 5 | - | |
| | (2,648) | (1,160) | |

In the fourth quarter ended 31 December 2022, the Group made a loss before taxation from continuing operations of RM3.12 million compared to a loss of RM0.41 million for the preceding quarter ended 30 September 2022. Loss for the quarter was due to net unrealised foreign exchange losses and higher operating expenses. Overall, the Group recorded net loss of RM2.65 million for the fourth quarter under review compared to loss of RM1.16 million for the previous quarter ended 30 September 2022.

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B3. Prospects For The Financial Year Ending 31 December 2023

Oil Bunkering, Vessel Chartering and Petroleum Trading Segment

The Company completed the acquisition of 2nd tranche in CCK Petroleum Sdn Bhd (“CCKSB”) on 2 December 2022, which brings its total shareholding to 70% equity interest. As such, the results of CCKSB will now be consolidated as part of the Group’s performance. The acquisition of the 2nd tranche also comes with a profit guarantee of RM5.0 million, out of which RM1.75 million is attributable to the Company for its 2nd tranche of 35% equity interest.

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 for the forthcoming year ending 31 December 2023.

Renewable Energy Segment

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 which involves installation of 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 this business segment of the Group.

In addition to the above, the Company is planning to diversify its business to include property investment and distribution of mobile and electronic devices. These new businesses will be operated via newly incorporated wholly-owned subsidiary companies, Fast Assets Sdn Bhd and Fast Technology Sdn Bhd, which are expected to commence operations in the year 2023.

Barring unforeseen circumstances, the Group hopes to achieve a better financial performance for this financial year ending 31 December 2023.

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

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NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2022**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B5. Income Tax Expense**

| | <u>3 months ended (Quarter)</u> | | <u>(Cumulative)</u> | |
|--------------------------------------|---------------------------------|-------------------|---------------------|-------------------|
| | <u>31.12.2022</u> | <u>31.12.2021</u> | <u>31.12.2022</u> | <u>31.12.2021</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Continuing operations: | | | | |
| Malaysian income tax | (134) | 78 | (76) | 183 |
| Deferred taxation | (338) | - | 626 | - |
| | <u>(472)</u> | <u>78</u> | <u>550</u> | <u>183</u> |
| Underprovision for tax in prior year | - | - | 4 | - |
| Total income tax expense | <u>(472)</u> | <u>78</u> | <u>554</u> | <u>183</u> |
| Discontinuing operations: | | | | |
| Malaysian income tax | - | 20 | 669 | 596 |
| Total income tax expense | <u>(472)</u> | <u>98</u> | <u>1,223</u> | <u>779</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

The Employee Share Option Scheme ("ESOS") which was approved by shareholders at an Extraordinary General Meeting held on 11 March 2021 was implemented on 31 March 2021. The ESOS shall be in force for a period of five (5) years until 31 March 2026.

Changes in the number of options to subscribe to unissued ordinary shares during the period ended 31 December were as follows:

| <u>Grant Date</u> | <u>No. of options over ordinary shares</u> | | | | <u>Outstanding as 31.12.2022</u> |
|-------------------|--|----------------|--------------------|-----------------|----------------------------------|
| | <u>Outstanding as 1.1.2022</u> | <u>Granted</u> | <u>(Exercised)</u> | <u>(Lapsed)</u> | |
| 8-Feb-22 | - | 118,452,016 | - | (118,452,016) | - |
| 14-Mar-22 | - | 118,455,976 | (89,452,016) | (29,003,960) | - |

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

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

- (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 was 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 of additional shares, Fast Energy will hold 70% equity interest in CCKSB and CCKSB will become a subsidiary company, accordingly.

The above proposals were approved by shareholders at an Extraordinary General Meeting held on 30 August 2022.

The Company had also completed the private placement exercise as abovementioned in 6 tranches, having issued a total of 52,518,966 ordinary shares and increased share capital by RM5,190,840 pursuant to the private placement.

On 2 December 2022, the Company completed the acquisition of additional 35% equity interest in CCKSB and it is now a 70% owned subsidiary of the Company.

There were no other corporate proposals announced but not yet completed as at the date of this report.

B7. Utilisation of Proceeds from Corporate Proposals

On 18 May 2022, the Company announced a private placement of up to 35% of the total number of issued shares of Fast Energy to third party investors. The proposal was approved by shareholders at an Extraordinary General Meeting held on 30 August 2022. Following that, the Company completed six (6) tranches of private placements on 14 October, 4 November, 15 November, 21 November, 5 December and 13 December 2022, as detailed in item A7: Changes in Debt and Equity Securities.

The status of utilisation of the proceeds raised as at 31 December 2022 were as follows:

| Purpose | Timeframe for Utilisation | Estimated Proceeds* & Proposed Utilisation RM'000 | Actual Proceeds RM'000 | Actual Utilisation RM '000 | Balance / Deviation RM '000 |
|---|---|---|------------------------|----------------------------|-----------------------------|
| Partial settlement of cash consideration for acquisition of additional 35% equity interest in CCKSB | Upon completion of proposed acquisition | 12,621 | 4,761 | 4,761 | - |
| Estimated expenses for corporate exercise | Upon completion of corporate exercise | 430 | 430 | 430 | - |
| Total | | | 5,191 | 5,191 | - |

* based on minimum scenario as mentioned in Company announcement dated 18 May 2022.

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B8. Group Borrowings

| | As at 31.12.2022 RM '000 | As at 31.12.2021 RM '000 |
|---|---|---|
| Finance lease liabilities | | |
| Repayable within one year denominated in Ringgit Malaysia | 808 | 177 |
| Repayable after one year denominated in Ringgit Malaysia | 464 | 851 |
| | <u>1,272</u> | <u>1,028</u> |
| Current liabilities (secured) | | |
| Term loans denominated in Ringgit Malaysia | <u>4,064</u> | <u>-</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.

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(a) Basic loss per share

| | 3 months ended (Quarter) | | 12 months ended (Cumulative) | |
|--|-------------------------------------|-------------------|---|-------------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Net profit/(loss) attributable to owners of the Company (RM '000): | | | | |
| - Continuing operations | (2,653) | (1,337) | (3,551) | (3,696) |
| - Discontinuing operations | - | (146) | (947) | (1,984) |
| | <u>(2,653)</u> | <u>(1,483)</u> | <u>(4,498)</u> | <u>(5,680)</u> |
| Weighted average number of ordinary shares in issue ('000) | 131,867 | 131,867 | 131,867 | 131,867 |
| Basic earnings/(loss) per share (sen): | | <i>(restated)</i> | | <i>(restated)</i> |
| - Continuing operations | (2.01) | (1.00) | (2.69) | (2.78) |
| - Discontinuing operations | - | (0.11) | (0.72) | (1.49) |
| Basic loss per share (sen) | <u>(2.01)</u> | <u>(1.11)</u> | <u>(3.41)</u> | <u>(4.27)</u> |

(b) Diluted earnings per share

The earnings 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.

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) | | 12 months ended (Cumulative) | |
|--|---------------------------------|-------------------|-------------------------------------|-------------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 5 | 16 | 28 | 33 |
| Interest expense | (47) | (13) | (93) | (44) |
| Depreciation and amortisation | (410) | (359) | (1,213) | (1,370) |
| Provision for and write off of receivables | (455) | - | (455) | - |
| Provision for obsolete stocks | - | - | - | - |
| Gain/(Loss) on disposal of quoted/unquoted investments | - | (3,035) | (2,602) | (3,738) |
| Impairment of assets | - | - | - | - |
| Foreign exchange gain/(loss) | (1,979) | (145) | 2,112 | 324 |

By order of the Board

Tan Tong Lang

Company Secretary

Dated: 28 February 2023