

FAST ENERGY HOLDINGS BERHAD

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

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

FAST ENERGY HOLDINGS BERHAD

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023**

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			6 months ended (Cumulative)		
	30.06.2023	30.06.2022	%	30.06.2023	30.06.2022	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	100,671	88,641	13.6%	173,786	139,188	24.9%
Operating expenses	(103,165)	(90,105)		(179,968)	(141,629)	
Operating loss	(2,494)	(1,464)	70.4%	(6,182)	(2,441)	153.3%
Other operating income	2,446	1,766		3,037	2,059	
	(48)	302	-115.9%	(3,145)	(382)	723.3%
Share of profit from joint venture	245	233		483	464	
Share of results of associate company, net of tax	-	200		-	478	
Finance costs	(27)	(13)		(67)	(24)	
Profit/(Loss) before taxation from continuing operations	170	722		(2,729)	536	
Taxation	179	(434)		(98)	(499)	
Net profit/(loss) after tax from continuing operations	349	288		(2,827)	37	
Profit/(Loss) after tax from discontinuing operations	-	740		-	(721)	
Net profit/(loss) after taxation	349	1,028	-66.1%	(2,827)	(684)	313.3%
Other comprehensive income: income/(expense)	-	-		-	-	
	349	1,028	-66.1%	(2,827)	(684)	313.3%
Profit/(loss) attributable to:						
Owners of the Company from						
- continuing operations	410	288		(2,768)	37	
- discontinued operations	-	740		-	(721)	
	410	1,028		(2,768)	(684)	
Non-Controlling Interests from						
- continuing operations	(61)	-		(59)	-	
	349	1,028		(2,827)	(684)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company from						
- continuing operations	410	288		(2,768)	37	
- discontinued operations	-	740		-	(721)	
	410	1,028		(2,768)	(684)	
Non-Controlling Interests from						
- continuing operations	(61)	-		(59)	-	
	349	1,028		(2,827)	(684)	
Basic earnings/(loss) per share attributable to owners of the Company from:		<i>(restated)</i>			<i>(restated)</i>	
- continuing operations	0.19	0.14		(1.30)	0.03	
- discontinued operations	-	0.41		-	(0.38)	
	0.19	0.55		(1.30)	(0.35)	

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 30 JUNE 2023**

	(Unaudited) As at 30.06.2023 RM'000	(Audited) As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	13,036	13,931
Amount owing by joint arrangement partner	7,914	4,267
Right-of-use asset	65	166
Goodwill on acquisition	50,147	50,147
	<u>71,162</u>	<u>68,511</u>
Current assets		
Inventories	1,223	-
Trade and other receivables	63,403	53,883
Amount owing by joint arrangement partner	-	6,374
Tax recoverable	1,099	1,342
Fixed deposits with licensed banks	-	504
Cash and bank balances	4,639	9,100
	<u>70,364</u>	<u>71,203</u>
TOTAL ASSETS	<u>141,526</u>	<u>139,714</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	141,240	135,799
Discount on equity	(5,336)	(5,336)
Warrant reserve	5,336	5,336
Accumulated losses	(15,504)	(12,736)
	<u>125,736</u>	<u>123,063</u>
Non-controlling interests	1,312	1,371
Total equity	<u>127,048</u>	<u>124,434</u>
Non-current liabilities		
Finance lease liabilities	-	984
Deferred taxation	1,177	1,080
	<u>1,177</u>	<u>2,064</u>
Current liabilities		
Trade and other payables	7,323	8,721
Finance lease liabilities	1,129	288
Lease liability	38	143
Borrowings	4,811	4,064
	<u>13,301</u>	<u>13,216</u>
Total liabilities	<u>14,478</u>	<u>15,280</u>
TOTAL EQUITY AND LIABILITIES	<u>141,526</u>	<u>139,714</u>
Net tangible assets per share attributable to equity holders of the parent (sen)	<u>35.1</u>	<u>33.9</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023**

	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 2022	116,754	(5,336)	5,336	(8,239)	108,515	-	108,515
Net loss for the period	-	-	-	(684)	(684)	-	(684)
Share options vested	74	-	-	-	74	-	74
Issue of shares	4,476	-	-	-	4,476	-	4,476
Private placement	3,845	-	-	-	3,845	-	3,845
Balance as at 30 June 2022	125,149	(5,336)	5,336	(8,923)	116,226	-	116,226
Balance as at 1 January 2023	135,799	(5,336)	5,336	(12,736)	123,063	1,371	124,434
Net loss for the period	-	-	-	(2,768)	(2,768)	(59)	(2,827)
Share options vested under ESOS	1,921	-	-	-	1,921	-	1,921
Issue of new shares	3,520	-	-	-	3,520	-	3,520
Balance as at 30 June 2023	141,240	(5,336)	5,336	(15,504)	125,736	1,312	127,048

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 PERIOD ENDED 30 JUNE 2023**

	(Unaudited) 6 months ended	
	30.06.2023 RM'000	30.06.2022 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation		
- Continuing operations	(2,729)	536
- Discontinuing operations	-	(155)
<u>Adjustments for:</u>		
Non-cash items	1,324	409
Non-operating items	(6)	(43)
Operating profit/(Loss) before working capital changes	(1,411)	747
<u>Changes in working capital:</u>		
Net change in current assets	(7,027)	(12,220)
Net change in current liabilities	(1,395)	448
Repayment of lease liabilities	-	(105)
Cash used in operations	(9,833)	(11,130)
Tax (paid)/refunded	242	451
Net cash used in operating activities	(9,591)	(10,679)
Cash Flows From Investing Activities		
Rental income	-	27
Interest received:		
- Continuing operations	6	1
- Discontinuing operations	-	16
Purchase of property, plant and equipment	(76)	(4,069)
Withdrawal of fixed deposits pledged	504	-
Net cash generated from/(used in) investing activities	434	(4,025)
Cash Flow From Financing Activities		
Proceeds from issue of new shares	3,520	8,395
Drawdown/(Repayment) of term loans	747	-
Net increase/(Repayment) of hire purchase creditors	(143)	520
Interest paid	(67)	-
Repayment of lease liability	(106)	(73)
Net cash generated from financing activities	3,951	8,842
NET DECREASE CASH AND CASH EQUIVALENTS	(5,206)	(5,862)
Effects of exchange rate changes	745	-
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	9,100	11,301
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	4,639	5,439
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	4,639	2,853
Cash and cash equivalents of non-current assets held-for-sale	-	2,657
	4,639	5,510
Less : Fixed deposits pledged to a licensed bank	-	(71)
	4,639	5,439

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.)

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023

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 2022 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 2022. The accounting standards and interpretations that are issued but not yet effective up to the date of issuance of the most recent audited financial statements are disclosed below:

Description	Effective for annual periods beginning on or after
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
Amendment to MFRS 108, Accounting Policies, Changes in Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendment to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17, Insurance Contracts : Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

The Group and Company intend to adopt these standards, if applicable, when they become effective. 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 – 30 JUNE 2023

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 2022 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 19 April 2023, the Company issued 8,064,517 ordinary shares pursuant to the exercise of share options granted under the Employee Share Options Scheme ("ESOS") at an issue price of 12.40 sen per share.

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.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**A EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A9. Segmental Information**

6 Months Ended	Investment Holding	Bunkering, vessel chartering and petroleum trading	Renewable energy	Property Investment	Smart Devices	Adjustment and elimination	Consolidation
30.06.2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	169,464	166	-	4,156	-	173,786
Inter-segment revenue	-	-	-	-	-	-	-
Total	-	169,464	166	-	4,156	-	173,786
Operating segment profit/(loss)	(2,627)	1,875	(100)	(22)	(2,271)	-	(3,145)
Share of joint venture profit	-	483	-	-	-	-	483
Finance cost	(2)	(50)	(15)	-	-	-	(67)
Profit/(loss) before taxation	(2,629)	2,308	(115)	(22)	(2,271)	-	(2,729)
Taxation	-	(100)	2	-	-	-	(98)
Net profit/(loss) after taxation from continuing operations	(2,629)	2,208	(113)	(22)	(2,271)	-	(2,827)
Net profit/(loss) after taxation							(2,827)
Segment assets	130,414	78,477	3,589	698	5,784	(127,583)	91,379
Unallocated corporate asset							50,147
							141,526
Segment liabilities	4,833	49,139	1,844	619	7,956	(49,913)	14,478

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**A EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A9. Segmental Information (cont'd)**

6 Months Ended	Investment Holding	Bunkering, vessel chartering and petroleum trading	Renewable energy	Property Investment	Smart Devices	Adjustment and elimination	Consolidation
30.06.2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	139,048	140	-	-	-	139,188
Inter-segment revenue	300	-	-	-	-	(300)	-
Total	<u>300</u>	<u>139,048</u>	<u>140</u>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>139,188</u>
Operating segment profit/(loss)	(12,170)	1,518	(19)	-	-	10,289	(382)
Share of joint venture profit	-	464	-	-	-	-	464
Share of results of associate, net of tax	-	-	-	-	-	478	478
Finance cost	(7)	(9)	(8)	-	-	-	(24)
Profit/(loss) before taxation	(12,177)	1,973	(27)	-	-	10,767	536
Taxation	-	(499)	-	-	-	-	(499)
Net profit/(loss) after taxation from continuing operations	(12,177)	1,474	(27)	-	-	10,767	37
Profit/(loss) from discontinuing operations							(721)
Net profit/(loss) after taxation							<u>(684)</u>
Segment assets	113,988	88,197	4,036	-	-	(85,135)	121,086
Non-current assets held-for-sale							11,391
							<u>132,477</u>
Segment liabilities	1,040	66,391	2,089	-	-	(56,997)	12,523
Liabilities relating to non-current assets held-for-sale							3,728
							<u>16,251</u>

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023

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

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 2022.

A11. Subsequent Events

There were no 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

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

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023

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:

Related Party Transactions	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Company connected to a director				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	18	38	19	38

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 – 30 JUNE 2023

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

B1. Review of Performance

2nd Quarter 2023 vs 2nd Quarter 2022

The Group revenue for the second quarter ended 30 June 2023 was 13.6% higher at RM100.67 million compared to RM88.64 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 revenue contribution from the smart devices division.

The Group recorded a marginal profit before taxation ("PBT") from of RM0.17 million compared to PBT of RM0.72 million in the corresponding second quarter last year. The Group recorded lower PBT despite higher revenue mainly due to initial marketing expenses for the FreeYond smart devices. The smart devices segment recorded a loss of RM1.07 million for the second quarter ended 30 June 2023 on the back of RM3.50 million in revenue.

Overall, the Group recorded net profit after taxation from continuing operations of RM0.35 million compared to RM0.29 million in the corresponding quarter in the previous year.

Half year 2023 vs half year 2022

The Group recorded revenue of RM173.79 million for the half year ended 30 June 2023 compared to RM139.19 million for the same period last year. This 24.9% increase in revenue was attributed to the oil bunkering business segment and contribution to revenue from the smart devices segment which started operations in the current year.

The Group however, made a loss before tax of RM2.73 million for the half year period under review compared to a PBT of RM0.54 million for the same period last year. Loss was due to smart devices recording a net loss as a result of initial marketing and travel expenses.

Overall, the Group recorded net loss after tax of RM2.83 million for the half year under review compared to a marginal profit of RM0.04 million for the same period last year, before including loss of RM0.72 million from discontinued operations.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**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)		
	30.06.2023	31.03.2023	
	RM'000	RM'000	chg
Revenue	100,671	73,115	37.7%
Operating expenses	(103,165)	(76,804)	
Operating loss	(2,494)	(3,689)	
Other operating income	2,446	591	
	(48)	(3,098)	-98.5%
Share of profit from joint venture	245	238	
Finance costs	(27)	(40)	
Profit/(Loss) before taxation	170	(2,900)	-105.9%
Income tax expense	179	(276)	
Net profit/(loss) after taxation	349	(3,176)	-111.0%
Other comprehensive income:	-	-	
Total comprehensive income/(loss)	349	(3,176)	-111.0%
Profit/(loss) attributable to:			
Owners of the Company	410	(3,178)	
Non-controlling interests	(61)	2	
	349	(3,176)	
Total comprehensive income/(loss) attributable to:			
Owners of the Company	410	(3,178)	
Non-controlling interests	(61)	2	
	349	(3,176)	

In the second quarter ended 30 June 2023, Group revenue was higher by about 37.7% at RM100.67 million compared to RM73.12 million in the preceding quarter ended 31 March 2023. The increase in revenue came from the oil bunkering business segment. The smart devices division contributed an increase of about RM2.84 million in revenue in the second quarter under review.

The Group made a net profit of RM0.35 million compared to a loss of RM3.18 million for the preceding quarter ended 31 March 2023. Results for the current quarter under review was bolstered by foreign exchange gains.

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023

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 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 this 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.

After a bumper 2022 year for the bunkering industry due to price volatility, prospects for the year 2023 remain uncertain. Volumes traded in 2022 were unlikely to persist in the year 2023 and analysts were skeptical of a China-led demand recovery. Management is cautiously optimistic on the overall prospects of navigating to deliver a positive result for 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. There is opportunity to capitalize on the rise in demand for alternative energy, especially from companies wanting to raise their environmental, social and governance (“ESG”) score.

The Company, via wholly-owned subsidiary, Fast Solar Sdn Bhd, has identified a niche to be a financial solution provider to bridge the funding gap for businesses like factories that want to incorporate solar as a renewable energy source into their operations.

However, with many new entrants into the solar power space in Malaysia, management is finding it challenging to secure new projects. This is largely due to its selectivity in accepting customers. Nevertheless, it remains committed to growing the renewable energy business.

New Businesses

In addition to the above, the Company is diversifying into the distribution of smart and electronic devices. This new business will be operated by wholly-owned subsidiary company, Fast Technology Sdn Bhd (“FTSB”), which was incorporated on 10 February 2023.

FTSB, which has sole and exclusive distributorship for FreeYond smart devices for Malaysia, officially launched the brand on 21 March 2023. The launch was met with overwhelming response. The Group’s entry into the smart devices business is timely and exciting, giving it exposure to the current lifestyle trend where there is increasing dependence on smart phones.

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

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**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>(Cumulative)</u>	
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Continuing operations:				
Malaysian income tax	(80)	(65)	1	-
Deferred taxation	(99)	499	97	499
Total income tax expense	<u>(179)</u>	<u>434</u>	<u>98</u>	<u>499</u>
Discontinuing operations:				
Malaysian income tax	-	287	-	566
Total income tax expense	<u>(179)</u>	<u>721</u>	<u>98</u>	<u>1,065</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 30 June 2023 were as follows:

<u>Grant Date</u>	<u>No. of options over ordinary shares</u>				<u>Outstanding as at 30.06.2023</u>
	<u>Outstanding as at 1.1.2023</u>	<u>Granted</u>	<u>(Exercised)</u>	<u>(Lapsed)</u>	
20/1/2023	-	20,000,000	(20,000,000)	-	-
13/4/2023	-	18,000,000	(8,064,517)	(9,935,483)	-

On 7 June 2023, the Company announced that it proposed to undertake the following:

- (i) diversification of the existing principal activities of the Company and its subsidiaries to include wholesale, distribution and retail of consumer electronic goods and related activities; and
- (ii) a renounceable rights issue of up to 242,192,937 new ordinary shares in the Fast Energy Holdings Berhad (“FEHB”) on the basis of 1 rights share for every 1 existing FEHB share held, together with 121,096,468 free detachable warrants in FEHB on the basis of 1 warrant for every 2 rights shares subscribed for, on an entitlement date to be determined and announced later.

The application for the above proposals were submitted to Bursa Malaysia on 1 August 2023.

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

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Group Borrowings**

	As at 30.06.2023 RM '000	As at 31.12.2022 RM '000
Finance lease liabilities		
Repayable within one year denominated in Ringgit Malaysia	1,129	288
Repayable after one year denominated in Ringgit Malaysia	-	984
	<u>1,129</u>	<u>1,272</u>

B8. 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.

B9. 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.

B10. Earnings / (Loss) Per Share (“EPS”)

(a) Basic earnings/(loss) per share

	3 months ended (Quarter)		6 months ended (Cumulative)	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Net profit/(loss) attributable to owners of the Company (RM '000):				
- Continuing operations	410	288	(2,768)	37
- Discontinuing operations	-	740	-	(721)
	<u>410</u>	<u>1,028</u>	<u>(2,768)</u>	<u>(684)</u>
Weighted average number of ordinary shares in issue ('000)	213,686	213,686	213,686	213,686
Basic earnings/(loss) per share (sen):		<i>(restated)</i>		<i>(restated)</i>
- Continuing operations	0.19	0.14	(1.30)	0.03
- Discontinuing operations	-	0.41	-	(0.38)
	<u>0.19</u>	<u>0.55</u>	<u>(1.30)</u>	<u>(0.35)</u>

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NOTES TO THE QUARTERLY REPORT – 30 JUNE 2023**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

(b) Diluted earnings/(loss) 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.

B11. Notes to the Statement of Comprehensive Income

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

	<u>3 months ended (Quarter)</u>		<u>6 months ended(Cumulative)</u>	
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	3	9	6	21
Interest expense	(28)	(20)	(67)	(35)
Depreciation and amortisation	(536)	(342)	(1,071)	(574)
Reversal of provision / (Provision) for and write off of receivables	488	-	416	-
Impairment of assets	-	-	-	(2,029)
Foreign exchange gain/(loss)	2,133	1,995	2,149	2,309

By order of the Board

Tan Tong Lang

Company Secretary

Dated: 21 August 2023