

# **FAST ENERGY HOLDINGS BERHAD**

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

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

# FAST ENERGY HOLDINGS BERHAD

Registration No.: 200401009317 (647820-D)

Incorporated in Malaysia

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	(Unaudited)			(Unaudited)		
	3 months ended (Quarter)			9 months ended (Cumulative)		
	30.09.2023	30.09.2022	%	30.09.2023	30.09.2022	%
	RM'000	RM'000	chg	RM'000	RM'000	chg
Revenue	101,425	55,879	81.5%	275,211	195,067	41.1%
Operating expenses	(102,995)	(58,330)		(282,963)	(199,957)	
Operating loss	(1,570)	(2,451)	-35.9%	(7,752)	(4,890)	58.5%
Other operating income	649	1,837		3,686	3,896	
	(921)	(614)	50.0%	(4,066)	(994)	309.1%
Share of profit from joint venture	250	243		733	707	
Share of results of associate company, net of tax	-	(25)		-	453	
Finance costs	(61)	(12)		(128)	(36)	
<b>Profit/(Loss) before taxation from continuing operations</b>	<b>(732)</b>	<b>(408)</b>		<b>(3,461)</b>	<b>130</b>	
Taxation	(417)	(527)		(515)	(1,027)	
<b>Net profit/(loss) after tax from continuing operations</b>	<b>(1,149)</b>	<b>(935)</b>		<b>(3,976)</b>	<b>(897)</b>	
<b>Profit/(Loss) after tax from discontinuing operations</b>	<b>-</b>	<b>(225)</b>		<b>-</b>	<b>(947)</b>	
<b>Net loss after taxation</b>	<b>(1,149)</b>	<b>(1,160)</b>	-0.9%	<b>(3,976)</b>	<b>(1,844)</b>	115.6%
Other comprehensive income:	-	-		-	-	
<b>Total comprehensive expense</b>	<b>(1,149)</b>	<b>(1,160)</b>	-0.9%	<b>(3,976)</b>	<b>(1,844)</b>	115.6%
<b>Loss attributable to:</b>						
Owners of the Company from						
- continuing operations	(1,149)	(935)		(3,917)	(897)	
- discontinued operations	-	(225)		-	(947)	
	(1,149)	(1,160)		(3,917)	(1,844)	
Non-Controlling Interests from						
- continuing operations	-	-		(59)	-	
	(1,149)	(1,160)		(3,976)	(1,844)	
<b>Total comprehensive loss attributable to:</b>						
Owners of the Company from						
- continuing operations	(1,149)	(935)		(3,917)	(897)	
- discontinued operations	-	(225)		-	(947)	
	(1,149)	(1,160)		(3,917)	(1,844)	
Non-Controlling Interests from						
- continuing operations	-	-		(59)	-	
	(1,149)	(1,160)		(3,976)	(1,844)	
<b>Basic loss per share attributable to owners of the Company from:</b>		<i>(restated)</i>			<i>(restated)</i>	
- continuing operations	(0.53)	(0.43)		(1.82)	(0.42)	
- discontinued operations	-	(0.10)		-	(0.44)	
	<b>(0.53)</b>	<b>(0.53)</b>		<b>(1.82)</b>	<b>(0.86)</b>	

(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**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

	(Unaudited) As at 30.09.2023 RM'000	(Audited) As at 31.12.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,622	13,931
Amount owing by joint arrangement partner	6,261	4,267
Right-of-use asset	15	166
Goodwill on acquisition	50,147	50,147
	<u>69,045</u>	<u>68,511</u>
<b>Current assets</b>		
Inventories	1,750	-
Trade and other receivables	80,317	53,883
Amount owing by joint arrangement partner	-	6,374
Tax recoverable	1,009	1,342
Fixed deposits with licensed banks	510	504
Cash and bank balances	4,525	9,100
	<u>88,111</u>	<u>71,203</u>
<b>TOTAL ASSETS</b>	<b><u>157,156</u></b>	<b><u>139,714</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	141,240	135,799
Discount on equity	(5,336)	(5,336)
Warrant reserve	5,336	5,336
Accumulated losses	(16,653)	(12,736)
	<u>124,587</u>	<u>123,063</u>
<b>Non-controlling interests</b>	<b>1,312</b>	<b>1,371</b>
<b>Total equity</b>	<b><u>125,899</u></b>	<b><u>124,434</u></b>
<b>Non-current liabilities</b>		
Finance lease liabilities	-	984
Deferred taxation	1,303	1,080
	<u>1,303</u>	<u>2,064</u>
<b>Current liabilities</b>		
Trade and other payables	25,632	8,721
Finance lease liabilities	1,056	288
Lease liability	16	143
Borrowings	3,250	4,064
	<u>29,954</u>	<u>13,216</u>
<b>Total liabilities</b>	<b><u>31,257</u></b>	<b><u>15,280</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>157,156</u></b>	<b><u>139,714</u></b>
Net tangible assets per share attributable to equity holders of the parent (sen)	<u>34.6</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.)

**FAST ENERGY HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 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
<b>Balance as at 1 January 2022</b>	116,754	(5,336)	5,336	(8,239)	108,515	-	108,515
Net loss for the period	-	-	-	(1,844)	(1,844)	-	(1,844)
Share options vested	1,506	-	-	-	1,506	-	1,506
Issue of shares	4,477	-	-	-	4,477	-	4,477
Private placement	3,844	-	-	-	3,844	-	3,844
<b>Balance as at 30 September 2022</b>	<b>126,581</b>	<b>(5,336)</b>	<b>5,336</b>	<b>(10,083)</b>	<b>116,498</b>	<b>-</b>	<b>116,498</b>
<b>Balance as at 1 January 2023</b>	135,799	(5,336)	5,336	(12,736)	123,063	1,371	124,434
Net loss for the period	-	-	-	(3,917)	(3,917)	(59)	(3,976)
Share options vested under ESOS	1,921	-	-	-	1,921	-	1,921
Issue of new shares	3,520	-	-	-	3,520	-	3,520
<b>Balance as at 30 September 2023</b>	<b>141,240</b>	<b>(5,336)</b>	<b>5,336</b>	<b>(16,653)</b>	<b>124,587</b>	<b>1,312</b>	<b>125,899</b>

(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 SEPTEMBER 2023**

	(Unaudited) 9 months ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation		
- Continuing operations	(3,461)	130
- Discontinuing operations	-	2,324
<u>Adjustments for:</u>		
Non-cash items	2,807	160
Non-operating items	(9)	(50)
Operating profit/(Loss) before working capital changes	(663)	2,564
<u>Changes in working capital:</u>		
Net change in current assets	(24,373)	(14,007)
Net change in current liabilities	16,912	(1,295)
Cash used in operations	(8,124)	(12,738)
Tax (paid)/refunded	41	(154)
<b>Net cash used in operating activities</b>	<b>(8,083)</b>	<b>(12,892)</b>
<b>Cash Flows From Investing Activities</b>		
Rental income	-	27
Interest received:		
- Continuing operations	9	2
- Discontinuing operations	-	20
Purchase of property, plant and equipment	(154)	(6,417)
Proceeds from disposal of subsidiary company	-	4,317
Withdrawal/(Placement) of fixed deposits pledged	(6)	-
<b>Net cash used in investing activities</b>	<b>(151)</b>	<b>(2,051)</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from issue of new shares	3,520	8,321
Drawdown/(Repayment) of term loans	(814)	-
Repayment of hire purchase creditors	(216)	(103)
Interest paid	(128)	(46)
Repayment of lease liability	(127)	(150)
<b>Net cash generated from financing activities</b>	<b>2,235</b>	<b>8,022</b>
<b>NET DECREASE CASH AND CASH EQUIVALENTS</b>	<b>(5,999)</b>	<b>(6,921)</b>
<b>Effects of exchange rate changes</b>	<b>1,424</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>9,100</b>	<b>11,301</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>4,525</b>	<b>4,380</b>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	510	-
Cash and bank balances	4,525	4,380
	5,035	4,380
Less : Fixed deposits pledged to a licensed bank	(510)	-
	<b>4,525</b>	<b>4,380</b>

(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.)

## FAST ENERGY HOLDINGS BERHAD

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### NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2023

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

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##### 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 2022.

##### 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.

## **FAST ENERGY HOLDINGS BERHAD**

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### **NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2023**

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

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##### **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**

There were no 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 SEPTEMBER 2023****A EXPLANATORY NOTES AS PER MFRS 134 – INTERIM FINANCIAL REPORTING****A9. Segmental Information**

	Investment Holding	Bunkering, vessel chartering and petroleum trading	Renewable energy	Property Investment	Smart Devices	Adjustment and elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 Months Ended</b>							
<b>30.09.2023</b>							
External sales	-	268,365	245	-	6,601	-	275,211
Inter-segment revenue	-	-	-	-	-	-	-
Total	-	268,365	245	-	6,601	-	275,211
Operating segment profit/(loss)	(3,206)	3,459	(120)	(23)	(4,176)	-	(4,066)
Share of joint venture profit	-	733	-	-	-	-	733
Finance cost	(2)	(104)	(22)	-	-	-	(128)
Profit/(loss) before taxation	(3,208)	4,088	(142)	(23)	(4,176)	-	(3,461)
Taxation	-	(511)	(4)	-	-	-	(515)
Net profit/(loss) after taxation from continuing operations	(3,208)	3,577	(146)	(23)	(4,176)	-	(3,976)
Net profit/(loss) after taxation							(3,976)
Segment assets	129,749	95,611	3,529	-	5,596	(127,476)	107,009
Unallocated corporate asset							50,147
							157,156
Segment liabilities	4,746	64,905	1,816	(76)	9,671	(49,805)	31,257



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

	Investment Holding	Bunkering, vessel chartering and petroleum trading	Renewable energy	Property Investment	Smart Devices	Adjustment and elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 Months Ended</b>							
<b>30.09.2022</b>							
External sales	-	194,852	215	-	-	-	195,067
Inter-segment revenue	400	-	-	-	-	(400)	-
Total	400	194,852	215	-	-	(400)	195,067
Operating segment profit/(loss)	(14,426)	3,280	(40)	-	-	10,192	(994)
Share of joint venture profit	-	707	-	-	-	-	707
Share of results of associate, net of tax	-	-	-	-	-	453	453
Finance cost	(10)	(13)	(13)	-	-	-	(36)
Profit/(loss) before taxation	(14,436)	3,974	(53)	-	-	10,645	130
Taxation	-	(1,027)	-	-	-	-	(1,027)
Net profit/(loss) after taxation from continuing operations	(14,436)	2,947	(53)	-	-	10,645	(897)
Profit/(loss) from discontinuing operations							(947)
Net profit/(loss) after taxation							<u>(1,844)</u>
Segment assets	112,318	92,494	3,974	-	-	(81,728)	<u>127,058</u>
Segment liabilities	195	69,214	2,052	-	-	(60,901)	<u>10,560</u>

## FAST ENERGY HOLDINGS BERHAD

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### NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2023

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

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##### **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.

##### **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:

	<u>3 months ended (Quarter)</u>		<u>9 months ended (Cumulative)</u>	
	<u>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
<b>Related Party Transactions</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Company connected to a director</b>				
Professional fee payable to:				
- ML Taxation Services Sdn Bhd	18	2	37	40

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.

## **FAST ENERGY HOLDINGS BERHAD**

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### **NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2023**

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

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##### **B1. Review of Performance**

###### **3rd Quarter 2023 vs 3rd Quarter 2022**

The Group revenue for the third quarter ended 30 September 2023 was 81.5% higher at RM101.43 million compared to RM55.88 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, which included the consolidation of revenue from now 70%-owned subsidiary company, Fast Marine Sdn Bhd ("FMSB") (formerly known as CCK Petroleum Sdn Bhd). The increase in Group revenue was also partly attributed to the smart devices division that started operations in the current year.

The Group recorded a higher loss before taxation ("LBT") of RM0.73 million compared to LBT of RM0.41 million in the corresponding third quarter last year. Overall net loss of RM1.15 million was attributed to the smart devices segment which recorded net loss of RM1.90 million on the back of RM2.45 million in revenue in the third quarter ended 30 September 2023, due to higher marketing and promotional costs, operating and traveling expenses.

The Group recorded net loss from continuing operations of RM1.15 million compared to loss of RM0.94 million for the corresponding quarter in the previous year.

###### **3rd Quarter 2023 YTD vs 3rd Quarter 2022 YTD**

The Group recorded total revenue of RM275.21 million for the period ended 30 September 2023 compared to RM195.07 million for the same period last year. This 41.1% increase in revenue was mainly attributed to the oil bunkering business segment, which included the consolidation of revenue from now 70%-owned subsidiary company, FMSB (formerly known as CCK Petroleum Sdn Bhd). In the corresponding period last year, FMSB was an associate of the Company. The increase in Group revenue was also partly attributed to the smart devices division that started operations in the current year.

The Group however, made a loss before tax of RM3.46 million for the period under review compared to a marginal profit before taxation of RM0.01 million for the same period last year. Loss was mainly due to the smart devices segment incurring initial promotional and marketing costs and traveling expenses.

Overall, the Group recorded net loss after tax of RM3.98 million for the 9 month period ended 30 September 2023 compared to loss of RM0.90 million for the same period last year, excluding loss of RM0.95 million from discontinued operations in the prior year.

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**NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 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)		%
	<b>3 months ended (Quarter)</b>		
	<b>30.09.2023</b>	<b>30.06.2023</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>chg</b>
Revenue	101,425	100,671	0.7%
Operating expenses	(102,995)	(103,165)	
Operating loss	(1,570)	(2,494)	
Other operating income	649	2,446	
	(921)	(48)	1818.8%
Share of profit from joint venture	250	245	
Finance costs	(61)	(27)	
<b>Profit/(Loss) before taxation</b>	<b>(732)</b>	<b>170</b>	<b>-530.6%</b>
Income tax expense	(417)	179	
<b>Net profit/(loss) after taxation</b>	<b>(1,149)</b>	<b>349</b>	<b>-429.2%</b>
Other comprehensive income:	-	-	
<b>Total comprehensive income/(loss)</b>	<b>(1,149)</b>	<b>349</b>	<b>-429.2%</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	(1,149)	410	
Non-controlling interests	-	(61)	
	<b>(1,149)</b>	<b>349</b>	
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company	(1,149)	410	
Non-controlling interests	-	(61)	
	<b>(1,149)</b>	<b>349</b>	

In the third quarter ended 30 September 2023, Group revenue of RM101.43 million was roughly in line with revenue of RM100.67 million for the preceding quarter ended 30 June 2023. All segments recorded revenues that were roughly in line quarter-on-quarter.

The Group made a loss before taxation of RM0.73 million compared to a marginal profit before taxation of RM0.17 million for the preceding quarter ended 30 June 2023. Loss in the current quarter was mainly due to unfavourable foreign exchange movements resulting in lower foreign exchange gains compared to the preceding quarter.

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### **NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2023**

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

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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 2<sup>nd</sup> tranche in Fast Marine Sdn Bhd (“FMSB”) (formerly known as CCK Petroleum Sdn Bhd) on 2 December 2022, which brings its total shareholding to 70% equity interest. As such, the results of FMSB 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 2<sup>nd</sup> tranche of 35% equity interest.

After a bumper 2022 year for the bunkering industry, prospects for the year 2023 remain uncertain with the wars currently in Ukraine and Gaza. 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 is 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 in 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 of increasing dependence on smart phones. The brand is well received in the market, however, this business is yet to achieve profitability with higher promotional and marketing costs incurred to launch the brand, operating and traveling expenses.

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 SEPTEMBER 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>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Continuing operations:</b>				
Malaysian income tax	291	57	292	57
Deferred taxation	126	466	223	966
	<u>417</u>	<u>523</u>	<u>515</u>	<u>1,023</u>
Underprovision for tax in prior year	-	4	-	4
Total income tax expense	<u>417</u>	<u>527</u>	<u>515</u>	<u>1,027</u>
<b>Discontinuing operations:</b>				
Malaysian income tax	-	103	-	669
Total income tax expense	<u>417</u>	<u>630</u>	<u>515</u>	<u>1,696</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 September 2023 were as follows:

<u>Grant Date</u>	<u>No. of options over ordinary shares</u>				<u>Outstanding as at 30.09.2023</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 the wholesale, distribution and retail of consumer electronic; 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.

Shareholders approved the abovementioned proposals at an Extraordinary General Meeting held on 17 October 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 SEPTEMBER 2023****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Group Borrowings**

	As at 30.09.2023 RM '000	As at 31.12.2022 RM '000
<b>Finance lease liabilities</b>		
Repayable within one year denominated in Ringgit Malaysia	1,056	288
Repayable after one year denominated in Ringgit Malaysia	-	984
	<u>1,056</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. On 21 August 2023, the Board of Directors of Fast Energy changed the targeted payout ratio to at least 10% of its audited consolidated profit after taxation attributable to shareholders for each financial year, after excluding any income that is capital in nature. This change took place after taking into consideration the new business working capital requirements and investments.

**B10. Earnings / (Loss) Per Share ("EPS")**

(a) Basic earnings/(loss) per share

	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net loss attributable to owners of the Company (RM '000):				
- Continuing operations	(1,149)	(935)	(3,917)	(897)
- Discontinuing operations	-	(225)	-	(947)
	<u>(1,149)</u>	<u>(1,160)</u>	<u>(3,917)</u>	<u>(1,844)</u>
Weighted average number of ordinary shares in issue ('000)	215,281	215,281	215,281	215,281
Basic loss per share (sen):		<i>(restated)</i>		<i>(restated)</i>
- Continuing operations	(0.53)	(0.43)	(1.82)	(0.42)
- Discontinuing operations	-	(0.10)	-	(0.44)
	<u>(0.53)</u>	<u>(0.53)</u>	<u>(1.82)</u>	<u>(0.86)</u>

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

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(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>9 months ended(Cumulative)</u>	
	<u>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	3	6	9	22
Other income including investment income	-	52	4	84
Interest expense	(61)	(14)	(128)	(46)
Depreciation and amortisation	(542)	(311)	(1,613)	(803)
Provision for write off of receivables	(483)	-	(66)	-
Gain/(Loss) on disposal of quoted/unquoted investments	-	(2,602)	-	(2,602)
Foreign exchange gain/(loss)	162	1,896	2,311	4,090

By order of the Board

Tan Tong Lang

Company Secretary

Dated: 30 November 2023