

Faster Enterprises Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: Faster Enterprises Ltd
ABN: 28 603 113 206
Reporting period: For the half-year ended 31 December 2020
Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	83.0% to	23,698
Loss from ordinary activities after tax attributable to the owners of Faster Enterprises Ltd	down	23.0% to	(514,843)
Loss for the half-year attributable to the owners of Faster Enterprises Ltd	down	23.0% to	(514,843)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$514,843 (31 December 2019: \$668,495).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.45</u>	<u>2.47</u>

4. Control gained or lost over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

There were no dividends paid, recommended or declared during the half-year ended 31 December 2020.

Faster Enterprises Ltd
Appendix 4D
Half-year report

7. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding	
	Reporting period %	Previous period %
Faster Properties Investment Pty Ltd	33%	33%
Faster Asia Sdn. Bhd.	100%	100%

8. Audit qualification or review

The financial statements are currently in the process of being reviewed by the auditors.

9. Attachments

The Interim Report of Faster Enterprises Ltd for the half-year ended 31 December 2020 is attached.

10. Signed

Signed _____

Date: 26 February 2021

Norman Wu
Executive Chairman

Faster Enterprises Ltd

ABN 28 603 113 206

Half Year Report - 31 December 2020

Faster Enterprises Ltd
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Faster Enterprises Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Faster Enterprises Ltd during the whole of the financial year and up to the date of this report unless otherwise stated:

Norman Wu - Executive Chairman & Director
Soon Huat Leow - Executive Director
Harry Hong - Non-Executive Director (appointed 11 December 2020)
Liang Chen - Non-Executive Director (appointed 18 December 2020)
Guorong Hu - Non-Executive Director (appointed 18 December 2020)
Richard Choo - Former Non-Executive Director (resigned 30 November 2020)
Ryuichi Shimokawa - Former Non-Executive Chairman & Director (resigned 30 November 2020)
Yi Yun Chin - Former Executive Director (resigned 30 November 2020)
Boon Ching Koay - Former Non-Executive Director (resigned 30 November 2020)

The Company Secretary is Michael Malbourne.

Principal activities

The principal activities of the Group are

- property development and management of residential, commercial, serviced apartments and hotels.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$514,843 (31 December 2019: \$668,495).

Significant changes in the state of affairs

The consolidated entity received cash from investors for shares awaiting to be issued which has not finalised due to queries raised by ASX and the Company currently being in suspension.

There was also a change in the board of directors where Richard Choo, Ryuichi Shimokawa, Yi Yun Chin & Boon Ching Koay have resigned and stepped down from the board on 30 November 2020. Three new directors were appointed being Harry Hong, Liang Chen & Guorong Hu in December 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Faster Enterprises Ltd
Directors' report
31 December 2020

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Norman Wu

26 February 2021

Faster Enterprises Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue			
Interest income		2	68,685
Rental received		23,701	71,046
Other income (government measures)		41,760	-
Expenses			
Employee benefits expense		(143,775)	(146,302)
Finance costs		(176,605)	(283,282)
General and administration expenses		(259,926)	(378,642)
Loss before income tax expense		(514,843)	(668,495)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Faster Enterprises Ltd		(514,843)	(668,495)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Faster Enterprises Ltd		<u>(514,843)</u>	<u>(668,495)</u>
		Cents	Cents
Basic earnings per share	9	(0.46)	(0.60)
Diluted earnings per share	9	(0.46)	(0.60)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Faster Enterprises Ltd
Statement of financial position
As at 31 December 2020

	Note	31 Dec 2020 \$	30 Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents		23,581	68,321
Trade and other receivables		19,140	71,881
Related entities receivable	7	498,002	938,322
Assets classified as held for sale	4	5,666,173	5,666,173
Total current assets		<u>6,206,896</u>	<u>6,744,697</u>
Non-current assets			
Financial assets		20,000	20,000
Other asset		512	21,714
Total non-current assets		<u>20,512</u>	<u>41,714</u>
Total assets		<u>6,227,408</u>	<u>6,786,411</u>
Liabilities			
Current liabilities			
Trade and other payables		246,934	176,573
Borrowings	5	3,946,363	3,727,429
Related entities payable	7	205,007	651,142
Payroll liabilities and provisions		222,381	222,983
Total current liabilities		<u>4,620,685</u>	<u>4,778,127</u>
Total liabilities		<u>4,620,685</u>	<u>4,778,127</u>
Net assets		<u>1,606,723</u>	<u>2,008,284</u>
Equity			
Issued capital		6,570,727	6,570,727
Reserves		113,282	-
Accumulated losses		(5,077,286)	(4,562,443)
Total equity		<u>1,606,723</u>	<u>2,008,284</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Faster Enterprises Ltd
Statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	6,570,727	-	(3,162,041)	3,408,686
Loss after income tax expense for the half-year	-	-	(668,495)	(668,495)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(668,495)	(668,495)
Balance at 31 December 2019	<u>6,570,727</u>	<u>-</u>	<u>(3,830,536)</u>	<u>2,740,191</u>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	6,570,727	-	(4,562,443)	2,008,284
Loss after income tax expense for the half-year	-	-	(514,843)	(514,843)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(514,843)	(514,843)
Cash received for shares awaiting to be issued	-	113,282	-	113,282
Balance at 31 December 2020	<u>6,570,727</u>	<u>113,282</u>	<u>(5,077,286)</u>	<u>1,606,723</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Faster Enterprises Ltd
Statement of cash flows
For the half-year ended 31 December 2020

	31 Dec 2020	31 Dec 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers and sale of properties (inclusive of GST)	118,202	58,548
Payments to suppliers and employees (inclusive of GST)	(333,941)	(283,437)
Interest received	2	68,685
Finance costs	(176,605)	(88,198)
	<u>(392,342)</u>	<u>(244,402)</u>
Net cash used in operating activities		
	<u>(392,342)</u>	<u>(244,402)</u>
	-	-
Net cash from investing activities		
	-	-
Cash flows from financing activities		
Proceeds from shares awaiting to be issued	113,281	-
Repayment of related parties' loan	(446,135)	(53,628)
Proceeds from related parties' loan	440,320	52,500
Proceeds from borrowings	240,136	-
	<u>347,602</u>	<u>(1,128)</u>
Net cash from/(used in) financing activities		
	<u>347,602</u>	<u>(1,128)</u>
Net decrease in cash and cash equivalents	(44,740)	(245,530)
Cash and cash equivalents at the beginning of the financial half-year	<u>68,321</u>	<u>68,350</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>23,581</u></u>	<u><u>(177,180)</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Faster Enterprises Ltd
Notes to the financial statements
31 December 2020

Note 1. General information

The financial statements cover Faster Enterprises Limited as a consolidated entity consisting of Faster Enterprises Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Faster Enterprises Limited's functional and presentation currency.

Faster Enterprises Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

G02/8, Ellingworth Parade
Box Hill VIC 3128

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the interim half-yearly financial statements are consistent with those followed in the preparation of the consolidated entity's annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The consolidated entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the half yearly financial statements of the consolidated entity.

Note 3. Operating segments

The company operates one operating segment being the development and leasing of commercial and residential property in Australia. The Company operates solely in the geographical region of Australia, however, does have a dormant subsidiary in Hong Kong and Malaysia.

Note 4. Current assets - assets classified as held for sale

4 Watts Street, Box Hill VIC

31 Dec 2020	30 Jun 2020
\$	\$
<u>5,666,173</u>	<u>5,666,173</u>

Faster Enterprises Ltd
Notes to the financial statements
31 December 2020

Note 5. Current liabilities - borrowings

	31 Dec 2020	30 Jun 2020
	\$	\$
Bank loans*	3,891,819	3,673,389
Convertible notes payable - unsecured**	54,544	54,040
	<u>3,946,363</u>	<u>3,727,429</u>

*FE Nunawading Hotel Pty Ltd entered into an agreement with La Trobe Financial for a two-year fixed term and interest only loan facility totalling \$3,445,420.00 (inclusive of \$420 loan fees) on 20 August 2018 at the variable annual interest rate of 8.99% (p.a.). The facility was fully drawn to finance the purchase of the commercial property situated at the address of 4 Watts Street, Box Hill Victoria 3128.

The loan facility is secured by the following:

- (a) \$3,445,000 Limited Guarantee and Indemnity by Yong Chao Wu, Norman Wu & FE (Hotels) Pty Ltd;
- (b) General Security Agreement by FE Nunawading Hotel Pty Ltd over all existing and future assets and undertakings; and
- (c) Mortgage over the property located at 4 Watts Street, Box Hill Victoria 3128.

**On 30 June 2018 Faster Enterprises Ltd entered into a convertible note agreement with Zhongtai Investments Limited with a face value of \$50,000. The term of the note is two years and interest is payable at 2% per annum. The subscriber has the option to either convert on a fixed or floating basis as determined by the formula below;

Fixed conversion price – 110% of the average daily traded VWAP per share traded on the ASX for the 20 days immediately preceding the date of the Convertible Note Deed.

Floating conversion price – 80% of the average of the closing price per share on any three consecutive trading days during the 20 trading days immediately preceding the relevant conversion date.

Faster Enterprises Ltd may redeem any Convertible Note presented for conversion in cash at the redemption amount if the Conversion Price is less than or equal to the Conversion Downside Price, which is 65% of the average of the daily traded VWAP per share for the 20 consecutive trading days prior to the relevant closing date.

Note 6. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities.

Note 7. Related party transactions

Parent entity

Faster Enterprises Ltd is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2020	31 Dec 2019
	\$	\$
Sale of goods and services:		
Coolyah Group Pty Ltd - IT Support and contractor work (a)	1,920	5,280
Elmside Pty Ltd – Company secretary services and rental (b)	39,000	46,200

Faster Enterprises Ltd
Notes to the financial statements
31 December 2020

Note 7. Related party transactions (continued)

(a) Coolyah Group is under control of Yong Chao Wu. Yong Chao Wu is the former CEO and a substantial shareholder of Faster Enterprises Ltd.

(b) Elmside Pty Ltd is under control of Michael Malbourne. Michael Malbourne is the Company Secretary of Faster Enterprises Ltd.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	31 Dec 2020	30 Jun 2020
	\$	\$
Current receivables:		
Faster Enterprises Ltd to Coolyah Properties Trust (a)	-	884,415
Faster Enterprises Ltd to Wu Family Trust (b)	-	13,598
Faster Enterprises Ltd to Faster Properties Investment Pty Ltd (e)	40,309	40,309
Faster Enterprises Ltd to Faster Asia Sdn Bhd (g)	26,815	-
Faster Enterprises Ltd to Yong Chao Wu (d)	430,878	-
Current liabilities:		
Faster Enterprises Ltd from Yong Chao Wu (d)	-	(122,701)
Faster Enterprises Ltd from Coolyah Group Pty Ltd (c)	-	(323,435)
Faster Enterprises Ltd from Min Jiang (f)	(205,007)	(205,007)

(a) Coolyah Properties Trust is the majority shareholder of Faster Enterprises Ltd. Yong Chao Wu is the Director of the Trustee and is one of the Beneficiaries of Coolyah Properties Trust.

(b) Wu Family Trust is a substantial shareholder of Faster Enterprises Ltd. Yong Chao Wu is the Director of the Trustee and one of the Beneficiaries of Wu Family Trust.

(c) Coolyah Group Pty Ltd is under control of Yong Chao Wu. Yong Chao Wu is the former CEO and a substantial shareholder of Faster Enterprises Ltd.

(d) Yong Chao Wu is the former CEO and a substantial shareholder of Faster Enterprises Ltd. Yong Chao Wu is the Director of the Trustees and is one of the beneficiaries of Coolyah Properties Trust and Wu Family Trust.

(e) Faster Properties Investment Pty Ltd is an associate of the Group, with 33.33% of ownership held by the FE (Commercial) Pty Ltd.

(f) Min Jiang is the former Non-Executive Director of Faster Enterprises Ltd.

(g) Faster Asia Sdn Bhd is an associate of the Group, with 100% of ownership held by the Faster Enterprises Ltd.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Faster Enterprises Ltd
Notes to the financial statements
31 December 2020

Note 9. Loss per share

	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax attributable to the owners of Faster Enterprises Ltd	<u>(514,843)</u>	<u>(668,495)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>110,885,411</u>	<u>110,885,411</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>110,885,411</u>	<u>110,885,411</u>
	Cents	Cents
Basic earnings per share	(0.46)	(0.60)
Diluted earnings per share	(0.46)	(0.60)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Norman Wu

26 February 2021