

FAST TRACK SOLUTION HOLDINGS BERHAD

(Company No: 631995-T)

Incorporated in Malaysia under the Companies Act, 1965

Part A - Explanatory notes pursuant to Paragraph 16, Malaysian Accounting Standards Board ("MASB") 26 Interim Financial Reporting

A1. Basis of preparation

The interim financial report has been prepared in compliance with MASB 26 (Interim Financial Reporting) and Chapter 7 Part VI of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market and should be read in conjunction with the audited financial statements of Fast Track Solution Holdings Berhad ("FTSHB") and its subsidiary company ("the Group") for the year ended 31 December 2003.

The accounting policies adopted in the quarterly financial report are consistent with those adopted for the year ended 31 December 2003.

A2. Qualification of financial statements

The audit report of the preceeding financial statements for the year ended 31 December 2003 was not subject to any audit qualification.

A3. Seasonal or cyclical factors

The results for the period were not affected by any seasonal or cyclical factors.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the quarter under review.

A5. Material changes in estimates

There were no changes in estimates of amounts in prior financial period, which have a material effect in the current quarter under review.

A6. Debt and equity securities

There were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review other than the following issuance of ordinary shares during the quarter and the year as listed below:

Date of Allotment	No. of ordinary shares allotted	Par Value RM	Consideration	Cumulative total paid-up share capital RM
21-Oct-03	2	0.10	Subscribers' share	0.2
15-Dec-03	18	0.10	Cash	2
12-Aug-04	59,999,980	0.10	Issued as consideration for the acquisition of Fast Track Solution Sdn Bhd ("FTSB")	6,000,000

A7. Dividend paid

There were no dividends paid during the quarter under review.

A8. Segmental information

All businesses were transacted in Malaysia and generated from information technology related business.

A9. Valuation of property, plant and equipment

The Group did not revalue any of its plant and equipment during the quarter under review.

A10. Material events subsequent to the end of the current quarter

There were no material events subsequent to the end of the reporting quarter that has not been reflected in the financial statements of the quarter under review.

A11. Effect of changes in the composition of the Group

In conjunction with and as part of the listing of and quotation for the entire issued and paid-up share capital of FTSHB on the MESDAQ Market of Bursa Securities, the following was carried out :-

Acquisition of the entire issued and paid-up share capital of Fast Track Solution Sdn Bhd ("FTSB") comprising of 40,000 ordinary shares of RM1.00 each for a total consideration of RM5,999,998 to be satisfied by the issued of 59,999,980 ordinary shares of RM0.10 each in FTSHB.

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets for the current quarter under review.

A13. Capital commitments

There were no capital commitments as at the date of this report.

A14. Significant related party transactions

There were no significant related party transactions during the quarter under review.

Additional information required by Part VI, Chapter 7 of Listing Requirements of Bursa Securities for the MESDAQ Market

B1. Review of performance

The Group recorded a turnover of RM0.815 million and RM2.207 million with loss after tax of RM0.002 million and RM0.006 million for the current quarter and year to date respectively. There was no profit contribution from FTSB, the subsidiary of FTSHB, for the current quarter and year to date as the acquisition of FTSB was only completed on 27 September 2004.

B2. Comparison with preceding quarter's results

There are no preceding quarterly results for comparison as this is the Group's first quarterly report.

B3. Current year prospects

Barring unforeseen circumstances, the Directors of FTSHB is optimistic of achieving satisfactory results for the financial year ending 31 December 2004.

B4. Variance on forecast profit/profit guarantee

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

B5. Taxation

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	30/09/2004	30/09/2003	30/09/2004	30/09/2003
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current taxation	1	-	4	-
(Over)/Under provision of income tax in prior period/year	-	-	-	-
	1	-	4	-
Deferred taxation	-	-	-	-
	1	-	4	-

The Group's effective tax rate is lower than the statutory tax rate for the current quarter under review mainly due to the pioneer status granted to FTSB, which exempts its income from Malaysian income tax for a period of five years commencing from 17 November 2003.

The tax expense of the Group is in respect of interest income.

B6. Profit on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the current quarter under review

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of any quoted securities during the quarter under review.

B8. Status of corporate proposals

FTSHB had issued a prospectus dated 30 November 2004 for the public issue of 32,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.28 per ordinary share by way of public offering and private placement payable in full on application in conjunction with its proposed listing on the MESDAQ Market of Bursa Securities. The new shares were fully subscribed on its closing date on 7 December 2004 and the entire share capital is expected to be listed on the MESDAQ Market in the fourth quarter of year 2004.

B9. Borrowings and debt securities

There were no borrowings or debt securities by the Group in the current quarter under review.

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B11. Material litigation

There are no pending material litigations involving the Group as at the date of this report.

B12. Dividend

The Board of Directors do not recommend any dividend for the current quarter ended 30 September 2004.

B13. Earnings per share**(a) Basic**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current year quarter 30/09/2004	Current year to date 30/09/2004
Net loss for the period (RM'000)	2	6
Weighted average number of ordinary shares in issue ('000)	31,957	10,730
Basic earnings per share (sen)	<u>-</u>	<u>-</u>

(b) Diluted

There is no diluted earnings per share as the Group does not have any convertible financial instruments as at the current quarter and current year to date.