

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 preceding 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

Save as disclosed below, 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:-

Date of Allotment	No. of ordinary shares allotted	Par Value	Consideration	Cumulative total paid-up share capital
		RM		RM
10-Dec-04	32,000,000 (a)	0.10	Cash	9,200,000
13-Dec-04	1,180,000 (b)	0.10	Cash	9,318,000

(a) Public issue of 32,000,000 new ordinary shares of RM0.10 each at RM0.28 per ordinary shares payable in full as follows:

- i) 3,000,000 new ordinary shares of RM0.10 each available for application by the public;
- ii) 3,000,000 new ordinary shares of RM0.10 each available for application by eligible directors, employees and other persons who have contributed to the success of the FTSHB Group ; and
- iii) 26,000,000 new ordinary shares of RM0.10 each available for placement to selected investors

The public issue was completed on 10 December 2004.

(b) Allotment of 1,180,000 new ordinary shares of RM0.10 each at RM0.28 per ordinary share to eligible employees of the FTSHB Group pursuant to Employees' Share Option Scheme. The allotment was completed on 13 December 2004.

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

There were no material changes in the composition of the Group for the quarter under review.

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 RM0.817 million and RM3.025 million with profit after tax of RM0.429 million and RM0.423 million for the current quarter and year to date respectively. The profit contribution from FTSB, the subsidiary of FTSHB, for the current quarter and year to date commenced from 27 September 2004 as the acquisition of FTSB by FTSHB was only completed on that date.

B2. Comparison with preceding quarter's results

Compared with preceding quarter, the revenue increased slightly by 0.2% from RM0.815 million to RM 0.817 million. The profit before tax decreased by 12.1% from RM0.489 million to RM0.430 million mainly due to higher operating cost during this quarter.

B3. Next year's prospects

FTSHB had on 24 January 2005 acquired a wholly owned subsidiary, Multiple Intelligence Network Sdn. Bhd. ("MNI") which had entered into a SAP Partner Agreement with SAP Malaysia Sdn. Bhd. ("SAP") on 1 February 2005 whereby SAP has appointed MIN to market and distribute SAP Software and SAP Products (as described in SAP's list of prices and conditions for SAP Partner) and also grant MIN to perform related services such as installation, training, maintenance and consulting services in respect of the SAP Software to small and midsized businesses in Malaysia.

Barring any unforeseen circumstances, the directors of FTSHB is optimistic that the above partnership will contribute positively to the earnings of the group for the financial year ending 31 December 2005.

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 correspond ing period
	31/12/2004 <u>RM'000</u>	31/12/2003 <u>RM'000</u>	31/12/2004 <u>RM'000</u>	31/12/2003 <u>RM'000</u>
Current taxation	1	-	5	-
(Over)/Under provision of income tax in prior period/year	-	-	-	-
	<u>1</u>	<u>-</u>	<u>5</u>	<u>-</u>
Deferred taxation	-	-	-	-
	<u>1</u>	<u>-</u>	<u>5</u>	<u>-</u>

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

Save for the proposed listing and quotation of the Company's entire share capital of 92,000,000 ordinary shares of RM 0.10 each on the MESDAQ Market of Bursa Securities, which were listed on 22 December 2004, there are no other further changes in the corporate proposals announced but not completed as at the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report.

Status of Utilisation of Proceeds

The proceeds from public issue of RM8.96 million are expected to be fully utilised for the core business of the company and its subsidiary by year 2008 as follows:

	RM'000
<u>Unutilised</u>	
R & D expenses	4,000
Working capital	1,760
Overseas expansion	2,000
Listing expenses	425
	<u>8,185</u>
<u>Utilised</u>	
Listing expenses	775
Total Proceeds	<u>8,960</u>

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 31 December 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 31/12/2004	Current year to date 31/12/2004
Net profit for the period (RM'000)	429	423
Weighted average number of ordinary shares in issue ('000)	67,896	25,100
Basic earnings per share (sen)	<u>0.63</u>	<u>1.69</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.

B14. Authorisation for issue

The fourth quarter financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 February 2005.