

**Part A - Explanatory notes pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting**

**A1. Basis of preparation**

The interim financial report is based on the unaudited financial statements for the quarter ended 30 September 2013 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

(a) Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies

The Group adopted the following Standards, Amendments and IC Interpretations:-

- MFRS 3 - Business Combinations
- MFRS 10 - Consolidated Financial Statements
- MFRS 11 - Joint Arrangements
- MFRS 12 - Disclosure of Interests in Other Entities
- MFRS 13 - Fair Value Measurement
- MFRS 119 - Employee Benefits (revised)
- MFRS 127 - Consolidated and Separate Financial Statements (revised)
- MFRS 128 - Investments in Associates and Joint Ventures (revised)
- Amendments to MFRS 1 - First-time Adoption of MFRS - Government Loans
- Amendments to MFRS 7 - Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10 - Consolidated Financial Statements - Transition Guidance
- Amendments to MFRS 11 - Joint Arrangements: Transition Guidance
- Amendments to MFRS 12 - Disclosure of Interests in Other Entities - Transition Guidance
- Amendments to MFRS 101 - Presentation of Items of Other Comprehensive Income
- Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle
- IC Interpretation 20 - Stripping Costs in the Production phase of a Surface Mine
- IC Interpretation 21 - Levies

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

(b) Standards issued but not yet effective

- Amendments to MFRS 9 - Mandatory Effective Date of MFRS 9 and Transition Disclosures
- Amendments to MFRS 10 - Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12 - Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127 - Consolidated and Separate Financial Statements: Investment Entities
- Amendments to MFRS 132 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 - Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139 - Financial Instruments : Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

**A2. Qualification of financial statements**

The audit report of the Company's financial statements for the financial year ended 31 December 2012 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 current quarter under review.

**A5. Material changes in estimates**

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

**A6. Debt and equity securities**

There were no 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.

**A7. Dividend paid**

There were no dividends paid during the current quarter under review.

#### A8. Segmental information

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

Period to date 30 September 2013	Animation Designing	Servers	Investment Holding	Publishing	Solar Farm	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	-	491	-	244	-	735	-	735
<b>Result</b>								
Segment result	(471)	63	(852)	(188)	(147)	(1,595)	-	(1,595)
Finance cost								(2)
Interest income								303
Loss before tax								(1,294)
Income tax								
Net Loss after tax								(1,294)
<b>Assets</b>								
Segment assets	4,578	211	10,847	420	2,060	18,116	-	18,116
<b>Liabilities</b>								
Segment liabilities	126	1	34	31	-	192	-	192

  

Period to date 30 September 2012	Animation Designing	Servers	Investment Holding	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	692	241	-	-	933	-	933
<b>Result</b>							
Segment result	(463)	1	(279)	(50)	(791)	-	(791)
Finance cost							(10)
Interest income							2
Loss before tax							(799)
Income tax							-
Net Loss after tax							(799)
<b>Assets</b>							
Segment assets	4,652	342	403	-	5,397	-	5,397
<b>Liabilities</b>							
Segment liabilities	513	53	105	12	683	-	683

#### A9. Valuation of property, plant and equipment

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

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

FTSHB On 16 August 2013 had announced that Solar Interactive Sdn Bhd [Formerly known as "True Interactive Sdn. Bhd."] ("SISB"), the wholly-owned subsidiary of the Company has entered into a Renewable Energy Power Purchase Agreement ("REPPA" or "the Agreement") on 1 August 2013 (which was received on 15 August 2013) with Tenaga Nasional Berhad ("TNB") for the sale and delivery of renewable energy by SISB to TNB for a concession period of 21 years.

FTSHB On 20 August 2013 had announced that Fast Track Solution Holdings Berhad ("FTSHB" or "the Company") had entered into a Share Purchase Agreement ("SPA") with Mr. Choong Kwai Onn (NRIC No. 640310-08-5579) and Mr. Lee Ying Kheong (NRIC No. 710828-08-5953) (hereinafter collectively referred to as "Vendor") to acquire 30,000 ordinary shares of RM1.00 only each in Newo Pictures Sdn. Bhd. (Company No. 971619-K) ("NPSB"), representing 60% of the issued and paid-up share capital of NPSB (hereinafter referred to as "the Acquisition").

FTSHB on 20 September 2013 had announced that the Fastrak group of companies proposes to undertake the Proposed Diversification into Renewable Energy Sector.

Further to the announcement dated 20 September 2013 in relation to the Proposed Private Placement, FTSHB had announced that the cost of estimated total cost of land, plant and equipment as well as the construction of the 500kW solar power plant in Kinta, Perak amounts to approximately RM4.6 million, which is expected to be funded by, inter alia, bank borrowings and internally generated funds.

#### A11. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the current quarter under review.

#### A12. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this report since the preceding financial year ended 31 December 2012, save as disclosed below :

- (a) FTSHB has given corporate guarantee of RM800,000 to Fast Track Solution Sdn Bhd, a subsidiary company of FTSHB as security against banking facility granted to Fast Track Solution Sdn Bhd as bank overdraft.

#### A13. Capital commitments

There are RM2,465,615 capital expenditure commitments but not provided in this interim report as at 30 September 2013.

#### A14. Significant related party transactions

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

## Part B-Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

### B1. Review of performance

The Group recorded a revenue of RM0.735 million with loss before taxation of RM1.294 million for the financial period ended 30 September 2013 as compared to revenue of RM0.933 million with loss before taxation of RM0.799 million in the preceding year correspondence.

The decrease in revenue was due to decrease demand for animation. The other income had increased from RM0.168 million to RM0.312 million due to the interest received from fixed deposit during this current quarter. The administrative expenses had been increased by RM0.733 million compared to previous correspondence quarter due to increase in salary and professional fees and impairment of goodwill. Consequently, the impact of the decreasing in revenue and increasing in administrative expenses have resulted in the Group to record a loss before taxation of RM1.294 million as compared to the corresponding quarter in the preceding period of RM0.799 million.

The total assets for the Group amounted to RM18.116 million as at 30 September 2013, a decrease of RM1.658 million from RM19.774 million as recorded in previous financial year.

As the Group registered an improving in performance for the financial year under review, the loss per share attributable to ordinary equity holder decreased to RM0.41 cents per share from the loss per share of RM0.59 cents per share for previous financial year due to the right issue exercise.

### B2. Comparison with preceding quarter's results

The revenue in the current quarter ended 30 September 2013 has decrease by approximate 40% from RM0.215 million to RM0.128 million as compared to the preceding quarter. The net loss for the current quarter ended 30 June 2013 increased from RM0.493 million to RM0.558 million compared with the preceding quarter due to lower interest income during the current quarter.

### B3. Current year prospects

Digital content creation has been identified by the Government as a key growth sector and there are ambitious plans to develop Malaysian companies in this field, which would create more business opportunities for the Group. With the increased Government drive in the digital content development, the Fastrak Group is optimistic that the growing demand will ensure the continued sustainable financial position of its business.

The Group intends to explore more animation market in the media and entertainment industry, recruit more programmers and animation equipment; and secure more high-end server, servicing and maintenance.

Furthermore, the proceeds from the Proposed Rights Issue with Warrants will enhance the capital base of the Company and ensure that the Group's future growth is not impeded by the lack of working capital. The Company plans to do more marketing campaigns and hire more marketing teams and technical staffs for the 24 hours service and maintenance on servers to capture the market opportunities in digital animation. With the enhancement of the existing animation product, the Company would be able to secure more animation projects in the future. Notwithstanding the opportunity is digital content creation, the Group is also considering other various new projects to diversify its business into renewable energy and media publishing. Currently the Group entered into a Renewable Energy Power Purchase Agreement on 1 August 2013 with Tenaga Nasional Berhad ("TNB") for the sale and delivery of 500KW solar renewable energy to Tenaga Nasional Bhd for a concession period of 21 years.

### 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

There is no taxation being provided during the current quarter under review.

### 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 current quarter under review.

### B8. Status of corporate proposals

FTSHB On 16 August 2013 had announced that Solar Interactive Sdn Bhd [Formerly known as "True Interactive Sdn. Bhd."] ("SISB"), the wholly-owned subsidiary of the Company has entered into a Renewable Energy Power Purchase Agreement ("REPPA" or "the Agreement") on 1 August 2013 (which was received on 15 August 2013) with Tenaga Nasional Berhad ("TNB") for the sale and delivery of renewable energy by SISB to TNB for a concession period of 21 years.

FTSHB On 20 August 2013 had announced that Fast Track Solution Holdings Berhad ("FTSHB" or "the Company") had entered into a Share Purchase Agreement ("SPA") with Mr. Choong Kwai Onn (NRIC No. 640310-08-5579) and Mr. Lee Ying Kheong (NRIC No. 710828-08-5953) (hereinafter collectively referred to as "Vendor") to acquire 30,000 ordinary shares of RM1.00 only each in Newo Pictures Sdn. Bhd. (Company No. 971619-K) ("NPSB"), representing 60% of the issued and paid-up share capital of NPSB (hereinafter referred to as "the Acquisition").

FTSHB on 20 September 2013 had announced that the Fastrak group of companies proposes to undertake the Proposed Diversification into Renewable Energy Sector.

Further to the announcement dated 20 September 2013 in relation to the Proposed Private Placement, FTSHB had announced that the cost of estimated total cost of land, plant and equipment as well as the construction of the 500kW solar power plant in Kinta, Perak amounts to approximately RM4.6 million, which is expected to be funded by, inter alia, bank borrowings and internally generated funds.

**B9. Status of utilisation of proceeds**

The proceeds from the Private Placement issue of RM0.932 million are to be utilised as follows:

Purpose	Proposed utilisation as per announcement dated 27 June 2011		Actual utilisation as at 30/9/13	Intended timeframe for utilisation	Balance unutilised		Explanation
	RM'000				RM'000	RM'000	
Working capital	832		648	21/3/12	112	13.44	Extension of timeframe until 31/12/13
* Estimated expenses in relation to proposed private placement	100		32	Within 1 month	68	68.00	
<b>TOTAL</b>	<b>932</b>		<b>680</b>		<b>180</b>	<b>19.29</b>	

On 31 May 2012, the Board had approved for the extension of time for working capital for up to 31 December 2012.

On 28 November 2012, the Board had approved for the extension of time for working capital for up to 30 March 2013.

On 25 February 2013, the Board had approved for the extension of time for working capital for up to 31 December 2013.

\* The unutilised portion of the proceeds from the private placement estimated expenses in relation to proposed private placement which amounts to RM68,000, has been transferred to working capital as this amount is an excess over the actual listing expenses incurred.

The proceeds from the right issue of RM15,375 million are to be utilised as follows:

Purpose	Proposed utilisation as per announcement dated 5 November 2012		Actual utilisation as at 30/9/13	Intended timeframe for utilisation	Balance unutilised	
	RM'000				RM'000	RM'000
Working capital	5,000		91	Within 24 months	4,909	98.18
Expansion of Business	5,000		1,554.00	Within 24 months	3,446	68.92
Operating Cost	4,783		849	Within 24 months	3,934	82.25
Repayment of bank borrowing	192		192	Within 12 months	-	-
* Estimated expenses in relation to proposed right issue	400		344	Within 3 months	56	14.00
<b>TOTAL</b>	<b>15,375</b>		<b>3,030</b>		<b>12,345</b>	<b>80.29</b>

\* The unutilised portion of the proceeds from the right issue public issue estimated expenses in relation to proposed right issue which amounts to RM56,000, has been transferred to working capital as this amount is an excess over the actual listing expenses incurred.

**B10. Borrowings and debt securities**

The Company did not issue any debt securities or long term borrowings during the current quarter under review.

The Group does not have any borrowings.

**B11. Derivative Financial Instruments**

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

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors did not recommend any dividend for the current quarter ended 30 September 2013

**B14. Notes to Consolidated Statement of Comprehensive Income**

	CURRENT PERIOD QUARTER 30/09/13 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 30/09/12 RM'000	CURRENT PERIOD TO DATE 30/09/13 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 30/09/12 RM'000
Loss before tax is arrived at after crediting/(charging) :-				
Interest income	58	-	303	2
Interest expense	(1)	(4)	(2)	(10)
Depreciation and amortisation	122	237	454	768
Impairment of goodwill	141	30	141	50

**B15. Loss per share**

## (a) Basic

Basic loss per share is calculated by dividing the net loss for the period by the number of ordinary shares in issue during the period.

	<b>Current period quarter 30/9/13</b>	<b>Preceding period correspondence quarter 30/9/12</b>	<b>Current <sup>2</sup>preceding period period correspondence to date 30/9/13</b>	<b>period correspondence period 30/9/12</b>
Net loss attributable to owners of the parent (RM'000)	(496)	(9)	(1,064)	(610)
Weighted average number of ordinary shares in issue ('000)	256,245	102,498	256,245	102,498
Basic loss per share attributable to owners of the parent (sen)	<u>(0.19)</u>	<u>(0.01)</u>	<u>(0.41)</u>	<u>(0.59)</u>

## (b) Diluted

The diluted loss per share for the financial period is based on the loss attributable to the equity holders of the Company divided by number of ordinary shares in issue during the period

	<b>Current period quarter 30/9/13</b>	<b>Preceding period correspondence quarter 30/09/12</b>	<b>Current <sup>2</sup>preceding period period correspondence to date 30/9/13</b>	<b>period correspondence period 30/09/12</b>
Net loss attributable to owners of the parent (RM'000)	(496)	-	(1,064)	-
Number of ordinary shares in issue ('000)	358,743	-	358,743	-
Basic loss per share attributable to owners of the parent (sen)	<u>(0.14)</u>	<u>-</u>	<u>(0.30)</u>	<u>-</u>

**B16. Qualification of financial statements**

The audit report of the Company's financial statements for the financial year ended 31 December 2012 was not subject to any audit qualification.

**B17. Realised and unrealised profits/losses disclosure**

	As at 30.09.2013 RM'000
Total accumulated losses from the Company and its subsidiaries	
- Realised	(14,965)
- Unrealised	-
Consolidated adjustment	(2,808)
Total accumulated losses as per consolidated financial statements	<u><u>(17,773)</u></u>