

13.0 DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)

ExcelForce MSC Berhad (570777-X)



Registered Office:

Level 11-2, Faber Imperial Court
Jalan Sultan Ismail
P.O.Box 12337
50774 Kuala Lumpur

22nd November 2004

The Shareholders of Excel Force MSC Berhad

Dear Sir / Madam,

On behalf of the Board of Excel Force MSC Berhad ("Company"), I report after due inquiry that during the period from 30 June 2004, being a date to which the last audited financial statements of the Company have been made up to the date hereof, being a date not earlier than fourteen (14) days before the issue of this Prospectus that:

- (a) the business of the Company has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company which have adversely affected the trading or the value of the assets of the Company;
- (c) the current assets of the Company appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have arisen by reason of any guarantees given by the Company;
- (e) no default or any known event, since the last audited financial statements of the Company, that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and
- (f) since the last audited financial statements of the Company, save as disclosed in the Accountants' Report as set out in Section 12 of this Prospectus, there have been no material changes in published reserves nor any unusual factors affecting the profits of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
EXCEL FORCE MSC BERHAD

Wang Kuen Chung @ Jeff Wang
Chairman and Managing Director

14.0 ESOS

The shareholders of Excel Force MSC have on 17 November 2004 adopted an ESOS for the benefit of the Eligible Directors and eligible employees of Excel Force MSC. The ESOS was approved by Bursa Securities and the SC vide their letters dated 19 July 2004 and 16 July 2004, respectively.

Prior to the listing of Excel Force MSC on the MESDAQ Market, the Board of Excel Force MSC proposes to grant up to 15,000,000 options to the Eligible Directors and eligible employees of Excel Force MSC ("Initial Grant") as follows:

	<u>Number of ESOS Options</u>
Executive Directors	6,550,000
Non-Executive Directors	1,000,000
Employees	7,450,000
	<u>15,000,000</u>

The exercise price of the options which are the subject matter of the Initial Grant is the Issue Price of the Excel Force MSC Shares.

The ESOS Bylaws are as follows:

1. DEFINITIONS

1.1 Except where the context otherwise requires, the following expressions in these Bylaws have the following meanings:

"Board"	: The Board of Directors of Excel Force MSC
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-D) <i>(formerly known as Malaysian Central Depository Sdn Bhd)</i>
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W) <i>(formerly known as Malaysia Securities Exchange Berhad)</i>
"Bylaws"	: The bylaws governing the Scheme
"CDS"	: Central Depository System
"Central Depositories Act"	: The Malaysian Securities Industry (Central Depositories) Act 1991
"Deposited Security(ies)"	: A security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense
"Depositor"	: A holder of a Securities Account
"Duration of the Scheme"	: The duration of the Scheme shall be five (5) years from the commencement of the Scheme as defined in Clause 19 unless extended by the Option Committee in accordance with Clause 19.2
"Eligible Employee/Director"	: An employee or a Director of the Company who meets the criteria of eligibility for participation in the Scheme as set out in Clause 4
"ESOS"	: Employees' Share Option Scheme
"Excel Force MSC" or "Company"	: Excel Force MSC Berhad (570777-X)

14.0 ESOS (Cont'd)

"Excel Force MSC Group" or "Group"	: Excel Force MSC and its subsidiary companies as defined in Section 5 of the Companies Act, 1965
"Excel Force MSC Share(s)"	: Ordinary share(s) of RM0.10 each in the capital of the Company
"Grantee"	: An Eligible Employee/Director who has accepted an Offer in the manner indicated in Clause 8
"Listing Requirements"	: Listing Requirements of Bursa Securities in relation to the MESDAQ Market
"Market Day"	: Any day between Mondays and Fridays, both days inclusive, which is not a market holiday or public holiday
"Maximum Allowable Allotment"	: The maximum number of new Excel Force MSC Shares in respect of which Offers may be made to Eligible Employees/Directors, as provided in Clause 6
"Offer"	: An offer made in writing by the Option Committee to an Eligible Employee/Director in the manner indicated in Clause 5
"Offer Date"	: The date on which an Offer is made by the Option Committee to an Eligible Employee/Director to participate in the Scheme
"Option"	: The rights of a Grantee to subscribe for new Excel Force MSC Shares pursuant to the contract constituted by acceptance by an Eligible Employee/Director, in the manner as set out in Clause 8, of an Offer made to such Eligible Employee/Director pursuant to Clause 5
"Option Committee"	: The committee to be appointed by the Board to implement and administer the Scheme
"Option Period"	: A period commencing from the Offer Date and expiring on a date which the Option Committee may in its discretion decide. Provided always that no Option Period shall extend beyond the Duration of the Scheme
"Option Price"	: The price per share at which a Grantee shall be entitled to subscribe for new Excel Force MSC Shares as set out in Clause 7
"Record of Depositors"	: A record of Depositors established by Bursa Depository under the Rules of Bursa Depository
"RM" and "Sen"	: Ringgit Malaysia and Sen, respectively
"ROC"	: Registrar of Companies, Malaysia
"Scheme"	: The scheme for the grant of Option to Eligible Employees/Directors to subscribe for new Excel Force MSC Shares on the terms as set out below
"Securities Account"	: An account established by Bursa Depository for a Depositor for the recording of Deposited Securities and for dealings in such securities by the Depositor

14.0 ESOS (Cont'd)

1.2 In these Bylaws:-

- 1.2.1 Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities);
- 1.2.2 Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted after the date of these Bylaws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted prior to the expiry of the Scheme;
- 1.2.3 Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- 1.2.4 Any liberty or power which may be exercised or any determination which may be made under by this Scheme by the Option Committee may be exercised at the Option Committee's discretion;
- 1.2.5 The heading in these Bylaws are for convenience only and shall not be taken into account in the interpretation of these Bylaws; and
- 1.2.6 If an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. NAME OF SCHEME

This Scheme will be named the "Excel Force MSC Berhad Employees' Share Option Scheme".

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to Bylaw 3.2, the maximum number of new Excel Force MSC Shares which may be available under the Scheme shall not exceed in aggregate thirty per cent (30%) of the total issued and paid-up share capital of the Company at any one time.
- 3.2 Notwithstanding the provision of Bylaw 3.1 nor any other provisions herein contained, in the event the maximum number of new Excel Force MSC Shares comprised in the Options granted under the Scheme exceeds the aggregate of thirty per cent (30%) of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares or undertaking any other corporate proposal which diminishes its issued and paid-up share capital, then such Options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Scheme.

However, no further Offer shall be made to any Eligible Employees/Directors as long as the aggregate shares comprised in the number of Options offered exceeds thirty per cent (30%) of the issued and paid-up share capital of the Company as a result of the Company purchasing its own shares or undertaking any other corporate proposal which diminishes its issued and paid-up share capital.

- 3.3 The Company will during the Option Period keep available sufficient authorised and unissued shares to satisfy all Options, which may be exercised, in whole or in part during the Option Period.

14.0 ESOS (Cont'd)

4. ELIGIBILITY

4.1 Subject to the discretion of the Option Committee, any employee and Director of the Excel Force MSC Group (i.e. by the Company or its subsidiaries as defined under the Companies Act, 1965, provided that they are not dormant) is eligible to participate in the Scheme, if, as at the Offer Date, such employee and Director:

4.1.1 has attained the age of eighteen (18) years on the Offer Date; and

4.1.2 either:

- (a) is classified as an "employee" based on the terms of employment letter issued by the Company and is not a member of any trade union; or
- (b) in the case of Directors, the name appears in the Register of Directors on or before the Offer Date.

Eligibility, however, does not confer on an Eligible Employee/Director a claim or right to participate in the Scheme unless an Offer in writing has been made by the Option Committee to the Eligible Employee/Director and the Eligible Employee/Director has accepted the Offer in accordance with the terms of the Offer and the Scheme.

5. OFFER

5.1 The Option Committee may, within the Duration of the Scheme referred to in Clause 19, make Offers to any Eligible Employee/Director whom the Option Committee may in its discretion select to participate in the Scheme.

5.2 The Option Committee may in its discretion at any time and from time to time as it may deem fit make an Offer to any Eligible Employee/Director whom the Option Committee may in its discretion select, to subscribe during the Option Period for new Excel Force MSC Shares in accordance with the terms of the Scheme.

5.3 Nothing in this Scheme shall prevent the Option Committee from making more than one Offer to any Eligible Employee/Director PROVIDED THAT:

5.3.1 the new Excel Force MSC Shares to be allotted shall always be in multiples of One Hundred (100) Excel Force MSC Shares; and

5.3.2 the total aggregate number of new Excel Force MSC Shares to be so allotted to any Eligible Employee/Director shall not exceed the Maximum Allowable Allotment of each Eligible Employee/Director as set out in Clause 6.

5.4 The Option Committee shall state the following particulars in the letter of Offer:-

5.4.1 the number of Shares that are being offered to the Eligible Employee/Director;

5.4.2 the number of Shares which the Eligible Employee/Director shall be entitled to subscribe for upon the exercise of the Option being offered;

5.4.3 the Option Period;

5.4.4 the Option Price; and

14.0 ESOS (Cont'd)

5.4.5 the closing date for acceptance of the Offer.

- 5.5 No Option shall be granted to any Director of the Company unless specific grant of Options to that Director shall have previously been approved by the shareholders of the Company in a general meeting.
- 5.6 With the exception to Sub-Clause 10.2, the Offer shall automatically lapse and be null and void in the event of the Eligible Employee/Director ceasing to be employed by Excel Force MSC Group for any reason whatsoever prior to the exercise of the Offer by the Eligible Employee/Director in the manner set out in Clause 9.
- 5.7 Subject to Sub-Clause 10.2.5, the Offer shall automatically lapse and be null and void in the event of death, bankruptcy or insanity of the Eligible Employee/Director.

6. MAXIMUM ALLOWABLE ALLOTMENT AND THE BASIS OF ALLOTMENT

- 6.1 Subject to the adjustments which may be made under Clause 14, the aggregate maximum number of new Excel Force MSC Shares that may be subscribed pursuant to the exercise of the Option offered to any of the Eligible Employees/Directors of the Excel Force MSC Group who are entitled to participate in the Scheme shall be at the sole and absolute discretion of the Option Committee after taking into consideration the position, performance, seniority and the length of service of the Eligible Employees/Directors in the Excel Force MSC Group or such other matters which the Option Committee may in its sole and absolute discretion deem fit subject to the following:-
 - 6.1.1 the number of new Excel Force MSC Shares allocated, in aggregate, to the Directors and senior management of the Excel Force MSC Group shall not exceed 50% of the new Excel Force MSC Shares available under the Scheme; and
 - 6.1.2 the allocation to an Eligible Employee/Director who, either singly or collectively through persons connected with the Eligible Employee/Director, holds 20% or more of the issued and paid-up share capital of Excel Force MSC must not exceed 10% of the total number of Excel Force MSC Shares available under the Scheme.
- 6.2 Subject to any adjustments which may be made under Clause 14, the maximum number of new Excel Force MSC Shares that may be offered and allotted to an Eligible Employee/Director shall be determined at the discretion of the Option Committee taking into consideration the performance, seniority and years of service of the Eligible Employee/Director subject always to Clause 3 above. The decision of the Option Committee shall be final and binding.
- 6.3 Subject to Clause 18, in the circumstances where the maximum allowable allotment as provided in the Listing Requirements on ESOS is amended by Bursa Securities from time to time, the Option Committee shall have the absolute discretion to make the necessary adjustments so that the number of new Excel Force MSC Shares that may be offered to any one of the Eligible Employees/Directors shall be in accordance with the provisions of the Listing Requirements prevailing during the Option Period.
- 6.4 An Eligible Employee/Director who holds more than one (1) position within the Company, and by virtue of such position is an Eligible Employee/Director in more than one (1) category, shall be entitled to the Maximum Allowable Allotment of any one (1) category. The Option Committee shall be entitled at its discretion to determine the applicable category.

14.0 ESOS (Cont'd)

- 6.5 The Option Committee may, subject to the approval of the Board, introduce additional categories of Eligible Employees/Directors who are eligible to participate in the Scheme, which it deems necessary, during the duration of the Scheme.

7. OPTION PRICE

- 7.1 The Option Price shall be the higher of the following:-

7.1.1 the weighted average market price of the Excel Force MSC Shares as shown in the Daily Official List of Bursa Securities for the five (5) Market Days immediately preceding the Offer Date with an allowance for a discount of not more than ten per centum (10%) thereon at the Option Committee's discretion; or

7.1.2 the par value of the Excel Force MSC Shares.

For Options which are granted prior to the listing of the Company, the Option Price shall be the initial public offer price.

- 7.2 The Option Price shall be stipulated on each certificate of Option.

- 7.3 The Option Price shall be adjusted to any adjustments in accordance with Clause 14.

8. ACCEPTANCE OF THE OFFER

- 8.1 The Offer to participate in the Scheme shall be valid for acceptance for a period of thirty (30) days from the Offer Date or such longer period as may be determined by the Option Committee on a case by case basis at its discretion. The acceptance of an Offer shall be made by way of a written notice from the Eligible Employee/Director to the Option Committee in the form prescribed by the Option Committee from time to time. In the event that the Eligible Employee/Director fails to accept the Offer within the prescribed period, the Offer shall automatically lapse PROVIDED THAT the Option Committee shall not be precluded from making a new Offer to the Eligible Employee/Director subsequently.

- 8.2 Acceptance of the Offer by an Eligible Employee/Director shall be accompanied by the payment of Ringgit Malaysia One (RM 1.00) as non-refundable consideration for the grant of the Option.

- 8.3 Within fourteen (14) days after the due acceptance of the Offer in accordance with the provisions of this Clause, the Option Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the Option Committee from time to time stating, inter alia, the number of Shares granted, the Option Price and the Option Period.

- 8.4 An Option shall be personal to the Grantee and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever.

- 8.5 The Option may be cancelled at the discretion of the Grantee by notice in writing to the Option Committee.

14.0 ESOS (Cont'd)

9. EXERCISE OF OPTIONS

9.1 Subject to Sub-Clause 9.2 below, an Option may be exercised by the Grantee by notice in writing to the Company in the prescribed form from time to time during the Option Period in respect of all or any part of the new Excel Force MSC Shares comprised in the Option, provided that where an Option is exercised in respect of a part of the new Excel Force MSC Shares comprised therein, the number of new Excel Force MSC Shares of which such Option may be exercised shall not be less than One Hundred (100) and shall be in multiples of One Hundred (100). Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with Clause 14 which results in the number of Excel Force MSC Shares comprised in an Option not being in multiples of One Hundred (100), then the requirement that an Option shall be exercised in multiples of not less than One Hundred (100) new Excel Force MSC Shares shall not be applicable for the Grantee's final exercise of the Option.

9.2 Subject to Clause 14 hereof, the Option Committee may, at any time and from time to time, before or after an Option is granted, limit the exercise of the Option to a maximum number of new Excel Force MSC Shares and/or such percentage of the total new Excel Force MSC Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Option Committee in its discretion including amending/varying any terms and conditions imposed earlier.

The partial exercise of an Option shall not preclude the Grantee from exercising the Option for the remaining duration of the Option Period in respect of the balance of the new Excel Force MSC Shares comprised in the Option.

Any new Excel Force MSC Shares comprised in an Option not subscribed for in any year following the date on which the Option was granted, may be subscribed for in any subsequent year until and including the last year of the Option Period.

9.3 Every such written notice referred to in Sub-Clause 9.1 hereof must be in the form prescribed by the Option Committee from time to time and accompanied by a remittance (calculated in accordance with the provisions of Clause 7 hereof) for the full amount of the subscription monies for the new Excel Force MSC Shares in respect of which notice is given. Within ten (10) Market Days from the receipt by the Company of the aforesaid notice and remittance from the Grantee, the Company shall allot such new Excel Force MSC Shares to the Grantee accordingly, subject to and in accordance with the provisions of the Articles of Association of the Company, the Central Depositories Act and the Rules of Bursa Depository.

9.4 A Grantee who exercises his Option shall provide the Option Committee with his CDS account number or the CDS account number of his authorised nominee, as the case may be, in the notice referred to in Sub-Clause 9.1. The new Excel Force MSC Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Grantee or his Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS account will be issued and despatched to the Grantee or the Grantee's Authorised Nominee with a copy to the Grantee, as the case may be, within ten (10) Market Days from the date of receipt by the Company of the written notice of the exercise of the Option together with the requisite remittance. No physical share certificate(s) will be issued.

9.5 An Eligible Employee/Director serving under an employment contract may exercise any remaining unexercised Option within twenty five (25) days before the expiry of the employment contract if the remaining duration of the contract as at the date on which the Option is granted is less than the Option Period.

14.0 ESOS (Cont'd)

- 9.6 No Options shall be exercisable after the expiry of the Option Period.
- 9.7 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service) the Option Committee may, in its discretion, suspend and/or cancel the right of the Grantee to exercise his Option pending the outcome of such disciplinary proceedings. The Option Committee may impose such terms and conditions as the Option Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee and the outcome of such disciplinary proceedings PROVIDED ALWAYS THAT in the event that such Grantee shall subsequently be found to be not guilty of the charges which gave rise to such disciplinary proceedings, the Option Committee shall reinstate the rights of such Grantee to exercise his Option PROVIDED THAT such reinstatement is within the Duration of the Scheme in accordance with Clause 19.
- 9.8 Notwithstanding the provisions of Sub-Clause 9.3, the Board (including directors that had resigned but were on the Board during the Option Period), the Option Committee, the Company and/or any officer of the Company shall not under any circumstances be held liable for any cost, loss, expense and/or damages whatsoever or howsoever arising in any event relating to the delay on the part of the Company in allotting the new Excel Force MSC Shares within the stipulated deadline or in procuring Bursa Securities to list the new Excel Force MSC Shares subscribed for by a Grantee.
- 9.9 Subject to the discretion of the Option Committee, failure by the Grantee to comply with the procedure for an exercise of an Option as stipulated in Sub-Clauses 9.1 to 9.5 herein will invalidate the purported exercise of such Option by an Eligible Employee/Director.
- 9.10 Every Option shall be subject to the condition that no new Excel Force MSC Shares shall be issued to a Grantee pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rules and/or regulations of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.
- 9.11 The Company will undertake to keep available sufficient unissued Excel Force MSC Shares to satisfy all outstanding Options.

10. TERMINATION OF THE OPTION

- 10.1 All remaining unexercised Options shall forthwith lapse and/or be deemed to be cancelled and cease to be exercisable in relation to any new Excel Force MSC Shares in respect of which such Options have not been exercised upon the occurrence of one or more of the following events:-
- 10.1.1 the Grantee ceasing to be in employment with Excel Force MSC Group; or
- 10.1.2 in the event of death, insanity or bankruptcy of the Grantee;
- 10.1.3 in the event of any misconduct on the part of the Grantee as determined by the Option Committee in its discretion;
- 10.1.4 in the event of any breach on the part of the Grantee of the Bylaws or of any of the terms of the Option;

14.0 ESOS (Cont'd)

10.1.5 winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-

(a) in the case of a voluntary winding up:-

- (i) the date on which a provisional liquidator is appointed by the Company; or
- (ii) the date on which the shareholders of the Company passed a resolution to voluntarily wind up the Company; or

(b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or

10.1.6 termination of the Scheme pursuant to Clause 20.

For the purpose of Clause 10.1.1 above, the Grantee shall be deemed to have ceased to be so employed by Excel Force MSC as of the date of the notice of termination tendered by or given by the Grantee to the Company, unless such notice shall be withdrawn prior to its effective date.

10.2 Where the Grantee ceases his/ her employment or appointment with the Company by reason of:-

- 10.2.1 retirement on attaining the retirement age under Excel Force MSC's retirement policy;
- 10.2.2 retirement before attaining the normal retirement age but with the consent of the Board;
- 10.2.3 redundancy or any voluntary separation scheme;
- 10.2.4 ill-health, injury, physical or mental disability; or
- 10.2.5 any other circumstances which are acceptable to the Option Committee,

he/she may exercise his/ her unexercised Option or Options within the relevant Option Period or Periods.

11. TAKEOVER

Notwithstanding Clause 9 above and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities, in the event of:

- 11.1 a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("Offeror") or any persons acting in concert with the Offeror) a Grantee will be entitled, within three (3) months of such a general offer being made, to exercise all or any part of his Options and the Directors shall use their best endeavours to procure that such a general offer be extended to any new Excel Force MSC Shares that may be issued pursuant to the exercise of Options under this Clause; and

14.0 ESOS (Cont'd)

- 11.2 the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Excel Force MSC Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Company that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise all or any part of his Option from the date of service of the said notice to the Company until and inclusive of the date on which the right of compulsory acquisition is exercised;

PROVIDED ALWAYS THAT any Option to the extent unexercised after the expiry of the periods stipulated in the aforesaid circumstances shall remain in force and continue to be exercisable until the expiry of the Option Period applicable thereto.

12. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION

Notwithstanding Clause 9 above and subject to the discretion of the Option Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 176 of the Companies Act, 1965 or its amalgamation with any other company or companies under Section 176 of the Companies Act, 1965, a Grantee may be entitled to exercise all or any part of his Option or Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective PROVIDED ALWAYS THAT any part of an Option which remains unexercised after the expiry of the period stipulated above shall remain in force and continue to be exercisable until the expiry of the Option Period applicable thereto.

13. RETENTION PERIOD

The new Excel Force MSC Shares to be issued and allotted to a Grantee pursuant to the exercise of any Option or Options will not be subject to any retention period.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

- 14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivisions or consolidation of capital or otherwise howsoever taking place:

14.1.1 the Option Price; and/or

14.1.2 the number of new Excel Force MSC Shares comprised in the Option so far as unexercised,

shall be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Option Committee, confirm in writing to be in their opinion (other than for bonus issues), fair and reasonable, PROVIDED ALWAYS THAT:-

- (a) no adjustment to the Option Price shall be made which would result in the new Excel Force MSC Shares to be issued on the exercise of the Option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, the Option Price payable shall be the par value of the new Excel Force MSC Shares;

14.0 ESOS (Cont'd)

- (b) upon any adjustment being made pursuant to this Clause, the Option Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his/her legal or personal representatives where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of new Excel Force MSC Shares thereafter to be issued on the exercise of the Option;
- (c) such adjustments would give the Grantee the same proportion of the issued ordinary share capital of the Company as that to which he was entitled under the Option prior to such alterations; and
- (d) such adjustments should ensure that the capital outlay to be incurred by each Grantee in exercising his options remain unaffected.

14.2 The provisions of this Clause shall not apply where the alteration in the capital structure of the Company arises from the issue of securities as consideration for an acquisition or as a special issue to Bumiputera parties approved by the relevant authorities; a private placement or restricted issue of new Excel Force MSC Shares by the Company; a share buy-back arrangement by the Company; an issue of new Excel Force MSC Shares arising from the exercise of any conversion rights attached to securities convertible to new Excel Force MSC Shares or upon exercise of any other rights including warrants (if any) issued or to be issued by the Company; and an issue of new Excel Force MSC Shares pursuant to the Scheme.

15. QUOTATION OF SHARES

The new Excel Force MSC Shares referred to in Clause 3 above and the new Excel Force MSC Shares (if any) to be allotted and issued to the Grantee will not be listed or quoted on Bursa Securities until the Option is exercised in accordance with Clause 9 above whereupon the Company shall make the necessary application to Bursa Securities for the listing of and quotation for such new Excel Force MSC Shares and use its best endeavours to obtain permission for the dealing therein.

16. RANKING OF NEW EXCEL FORCE MSC SHARES

The new Excel Force MSC Shares to be allotted upon any exercise of any Options granted shall upon allotment and issue, rank *pari passu* in all respects with the existing Excel Force MSC Shares PROVIDED ALWAYS that the new Excel Force MSC Shares so allotted will not be entitled to any dividends, rights, allotments and/ or other distributions unless such new Excel Force MSC Shares are specified as being credited to the Securities Account of the Grantee in the Record of Depositors maintained by the Company with Bursa Depository and requested by the Company from Bursa Depository for the purpose of determining persons entitled to such dividends, rights, allotments, and/ or distributions in accordance with the Company's Articles of Association.

17. ADMINISTRATION

The Scheme shall be administered by the Option Committee consisting of such persons appointed by the Board. The Option Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the Option Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the Option Committee may in its discretion deem fit necessary and/or expedient for the implementation of the Scheme. The Board shall have power from time to time to rescind the appointment of any person to the Option Committee as it deems fit.

14.0 ESOS (Cont'd)

The Board shall have power at any time and from time to time to assume and/or exercise or execute any of the powers and authorities conferred upon the Option Committee pursuant to these Bylaws.

18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

Subject to the approvals of Bursa Securities and any other relevant authorities, the Board shall have the power at any time and from time to time by resolution to amend and/or modify all or any of the provisions of the Scheme PROVIDED THAT no such amendment and/or modification shall be made which would either materially prejudice the rights then accrued to any Grantee without the Grantee's prior consent or alter to the advantage of any Grantee in respect of any provisions of the Scheme without the prior approval of the Company's shareholders in a general meeting, provided that such prior approval is required by the relevant regulatory provisions governing the Scheme.

19. DURATION OF THE SCHEME

19.1 The Scheme shall be in force for a period of five (5) years commencing from the date the adviser for the Scheme confirms in writing to Bursa Securities of full compliance with all relevant requirements in Chapter 6 of the Listing Requirements including the following:

- (a) submission of the final copy of the Bylaws to Bursa Securities;
- (b) receipt of approval-in-principle for the listing of the shares to be issued under the Scheme from Bursa Securities;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities; and
- (e) fulfillment of all conditions attached to the approvals.

19.2 Upon the expiry of the Scheme, the Option Committee shall have the discretion to extend the Duration of the Scheme PROVIDED THAT any extension of the Scheme shall be for a maximum duration of five (5) years.

20. MID-STREAM TERMINATION OF THE SCHEME

Notwithstanding the provisions of Clause 19, the Company has the right to terminate the Scheme at any time during the Duration of the Scheme provided the following approval(s)/ consent(s) are obtained:-

- 20.1 the approval of Bursa Securities for the termination of the Scheme;
- 20.2 the consent of Excel Force MSC's shareholders at a general meeting wherein at least a majority of the shareholders present voted in favour of the termination; and
- 20.3 the written consent of all Grantees who have yet to exercise their Options, either in part or in whole.

21. SUBSEQUENT ESOS

The Company may establish a new ESOS after the expiry of the Scheme or upon termination of the Scheme subject to the approval of Bursa Securities.

14.0 ESOS (Cont'd)

22. DISPUTES

In the event of any dispute between the Option Committee and an Eligible Employee/Director or Grantee, as to any matter or thing of any nature arising hereunder, the Option Committee shall determine such dispute or difference by a written decision given to the Eligible Employee/Director or Grantee, as the case may be. The said decision shall be final and binding on the parties unless the Eligible Employee/Director or Grantee, as the case may be, shall dispute the same by written notice to the Option Committee within fourteen (14) days of the receipt of the written decision, in which case such dispute shall be referred to the decision of the external auditors of the Company for the time being, acting as experts and not as arbitrators, whose decision shall be final and binding in all respects. In the event that the external auditors are unable to reach a decision in respect of the dispute, such dispute shall be referred to a court of law of competent jurisdiction in Malaysia, whose decision shall be final and binding in all respects.

23. COMPENSATION

- 23.1 An Eligible Employee/Director or Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 23.2 No Eligible Employee/Director or Grantee or legal or personal representatives shall bring any claim, action or proceeding against the Company or the Option Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Option or his Option ceasing to be valid pursuant to the provisions of these Bylaws, or as the same may be amended from time to time in accordance with Clause 18 hereof.

24. TRANSFERS FROM/ TO OTHER COMPANIES RELATED TO THE GROUP

24.1 In the event that: -

- 24.1.1 an employee or director who was employed in a company which is not within the Excel Force MSC Group and is subsequently transferred from such company within the Excel Force MSC Group;
- 24.1.2 an employee or director who was in the employment of a company which subsequently becomes a member of the Excel Force MSC Group as a result of a restructuring exercise or otherwise involving Excel Force MSC and/or any company within the Excel Force MSC Group with any of the first mentioned company in (i) below;

(the first mentioned company in 24.1.1 and 24.1.2 above are referred to as the "Previous Company"), such an employee of the Previous Company (the "Affected Employee"), will, if the Affected Employee satisfies all conditions under clause 4 :-

- (a) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's ESOS in accordance with the Bylaws of such Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS;

14.0 ESOS (Cont'd)

- (b) be eligible to participate in the Scheme only for the remaining duration of the Scheme, subject to the Option Committee's approval; and
- (c) if the Affected Employee had participated in the Previous Company's ESOS, the number of new Excel Force MSC Shares to be offered to such Affected Employee under the Scheme shall be subject to the discretion of the Option Committee after taking into consideration, among others, the number of shares comprised in the option that were offered or exercised under the Previous Company's ESOS, and the Maximum Allowable Allotment under the Scheme.

25. DIVESTMENT FROM THE GROUP

If a Grantee who was in the employment with a company in the Group which was subsequently divested wholly or in part from the Group which resulted in a subsequent holding of fifty percent (50%) or less by the Group, then such Grantee:

- (a) may be entitled to continue to exercise all such unexercised Options which were granted to him under the Scheme within a period of three (3) months from the date of such divestment and within the Option Period, failing which the right of such employee to subscribe for the number of new Excel Force MSC Shares or any part thereof granted under such unexercised Options shall automatically lapse upon the expiry of the said three (3) months period and be null and void and of no further force and effect; and
- (b) shall not be eligible to participate for further Options under the Scheme.

26. COSTS AND EXPENSES

All costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses relating to the issue and allotment of the new Excel Force MSC Shares upon the exercise of any Option shall be borne by the Company.

27. NOT A TERM OF EMPLOYMENT

This Scheme does not form part nor shall it in any way be construed as part of the terms and conditions of employment of any employee.

28. ARTICLES OF ASSOCIATION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between this Scheme and the Articles of Association of the Company, the provisions of the Articles of Association of the Company shall at all times prevail.

29. TAXES

All taxes (including income tax) arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

30. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Option Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event including but not limited to the Company's delay in issuing and allotting the Shares.

14.0 ESOS (Cont'd)

31. GOVERNING LAW

This Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantees, by accepting the Options in accordance with this Scheme and the Company submit to the non-exclusive jurisdiction of the courts of Malaysia.

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15.0 ADDITIONAL INFORMATION

15.1 Share Capital

- (i) No shares will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) As at 17 November 2004 (being the latest practicable date prior to the registration of this Prospectus), there is only one (1) class of shares in the Company, namely ordinary shares of 10 sen each, all of which rank pari passu with one another.
- (iii) Save as disclosed in Section 4.1 of this Prospectus, no shares or debentures of the Company have been issued or proposed to be issued as fully or partly paid-up, for cash or otherwise, within the two (2) years preceding the date of this Prospectus.
- (iv) Other than the 4,000,000 Public Issue Shares offered to the Eligible Directors and eligible employees of Excel Force MSC as disclosed in Section 2.4 of this Prospectus and the approved ESOS as disclosed in Section 14 of this Prospectus:
 - (a) no person or employee of Excel Force MSC has been or is entitled to be given an option to subscribe for any shares or debentures of the Company; and
 - (b) there is no other scheme involving the employees of Excel Force MSC in the shares of the Company.
- (v) The Company has no outstanding convertible debt securities.

15.2 Articles of Association

The following provisions are reproduced from the Company's Articles of Association.

Terms defined in the Company's Articles of Association shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

(i) Transfer of Shares

Article 41

Subject to the Companies Act, Listing Requirements, the Central Depositories Act and the Central Depository Rules, all transfer of shares or securities or class of shares or securities of the Company by registered members shall be effected by way of book entry by the Central Depository in accordance with the Central Depository Rules and, notwithstanding Sections 103 and 104 of the Companies Act, but subject to subsection 107C(2) of the Companies Act and any exemption that may be made from compliance with subsection 107C(1) of the Companies Act, the Company shall be precluded from registering and effecting any transfer of shares or securities. Any fee charged on the transfer of securities shall not exceed Ringgit Malaysia Three Only (RM3-00) per transfer or such sum as shall from time to time be fixed by Bursa Securities. There shall be no restriction on the transfer of fully paid securities which are quoted or to be quoted, except where required by law. Subject to the Companies Act, the Central Depositories Act and the Central Depository Rules, no share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

15.0 ADDITIONAL INFORMATION (*Cont'd*)

Article 42

Subject to the provisions of the Central Depositories Act and the Central Depository Rules, any member may transfer all or any of its shares by instrument in writing in the form prescribed and approved by Bursa Securities and the ROC. Subject to these Articles, there shall be no restriction on the transfer of fully paid up shares except required by law. The instruments shall be executed by or on behalf of the transferor and transferee and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Companies Act, the Central Depositories Act and the Central Depository Rules.

Article 43

The Directors may :

- (i) decline to register the transfer of any share (not being a fully paid share);
- (ii) decline to register the transfer of any share on which the Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia; and
- (iii) decline to register more than three (3) persons as joint holders of a share, excluding the case of executors, administrators or trustees of a deceased member.

Article 44

Subject to the Companies Act, Listing Requirements, the Central Depositories Act and the Central Depository Rules, if the Directors refuse to register a transfer they shall within three (3) market days after the date on which the transfer was lodged with the Company send to the lodging broker and transferee written notice of the refusal and the precise reasons therefor.

Article 45

The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, provided the period shall not exceed thirty (30) days in the aggregate in any one year. Any suspension shall comply with the notice requirements applicable to members and the Central Depository as prescribed by the Companies Act, the Central Depositories Act or the Central Depository Rules.

Article 46

The Company may pursuant to Section 34 of the Central Depository Act and the Central Depository Rules request for the Record of Depositors and in this connection, may request for the Record of Depositors as at a specified date. The Company shall give notice to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors.

15.0 ADDITIONAL INFORMATION (Cont'd)

Article 47

A Record of Depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final Record of Depositors as at the specified date and/or for the specified purpose. If there shall be more than one Record of Depositors made available to the Company as at the specified date and/or for the specified purpose then the later or last of the Record of Depositors prepared by the Central Depository and confirmed by the Central Depository as a correct Record of Depositors shall be the final Record of Depositors as at the specified date and/or for the specified purpose. If such confirmation from the Central Depository shall not be available, then the later or last of the Record of Depositors received by the Company shall be deemed to be the final Record of Depositors as at the specified date and/or for the specified purpose.

(ii) Remuneration of Directors

The provisions in the Articles of Association of the Company dealing with the remuneration of the Directors are as follows:

Article 111

Subject to Article 113 below, the fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:

- (i) fees payable to executive directors shall be by way of a fixed sum, and may not include a commission on or percentage of profits or turnover;
- (ii) fees payable to non-executive directors shall be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover;
- (iii) any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.

Article 112

The fees payable to the directors shall not be increased unless a resolution to that effect is passed at a general meeting PROVIDED ALWAYS that notice of the proposed increase has been duly given in such notice convening the general meeting.

Article 113

- (1) The salaries and benefits payable for the executive directors shall be subject to the approval of the Board.
- (2) Any reimbursement to the directors for disbursements are subject to the approval of the Board.

15.0 ADDITIONAL INFORMATION (Cont'd)

Article 114

- (1) The directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors.
- (2) If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular, without limiting to the generality of the foregoing, if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the Board may pay him a special remuneration, in addition to his director's fees and such special remuneration may be by way of a fixed sum, or otherwise as may be agreed PROVIDED ALWAYS that such special remuneration payable to:-
 - (a) a non executive director, shall not be by a commission on or percentage of profits or turnover; or
 - (b) an executive director, shall not include a commission on or percentage of turnover.

(iii) Voting and Borrowing Powers of Directors

The provisions in the Articles of Association of the Company in respect of the powers of Directors, in particular the voting powers of Directors in proposals, arrangements or contracts in which they are interested and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Article 118

- (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligations of the Company or of any third party.
- (2) Nothing contained in these Articles shall authorise the directors to borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.
- (3) The directors shall cause a proper register to be kept in accordance with Section 115 of the Companies Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Companies Act in regard to the registration of mortgages and charges therein specified and otherwise.

15.0 ADDITIONAL INFORMATION (Cont'd)

- (4) Of the directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(iv) Changes in Capital and Variations of Class Rights

The provisions in the Articles of Association of the Company as to the changes in capital or variation of class rights which are no less stringent than those required by law are as follows:

Article 15

Notwithstanding Article 16 hereof, the repayment of any preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 16

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provision of these Articles relating to general meetings shall, *mutatis mutandis*, apply, but that the necessary quorum shall be two holders of shares of the class present in person or by proxy and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Companies Act shall, with such adaptations as are necessary, apply.

Article 17

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

15.3 Directors and Substantial Shareholders

- (i) The names, addresses and occupations of the Directors are set out in the Corporate Directory section of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company unless otherwise so fixed by the Company in general meeting.

15.0 ADDITIONAL INFORMATION (Cont'd)

- (iii) The Promoters, Directors and substantial shareholders of the Company have not received any amounts or benefits paid or given by the Company other than by the virtue of their directorships and by virtue of their employment by the Company within the two (2) years preceding the date of this Prospectus.
- (iv) Based on the Register of Directors' Shareholdings as at 17 November 2004 (being the latest practicable date prior to the registration of this Prospectus), the Directors' beneficial interests, direct and indirect, in the shares of the Company before and after the Public Issue are as follows:

Directors	Before the Public Issue				After the Public Issue ⁺			
	Direct		Indirect		Direct		Indirect	
	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%
Jeff Wang	4,000	6.41	43,000*	68.91	4,774	5.97	43,750*	54.69
Sharon Sun	4,000	6.41	43,000^	68.91	4,750	5.94	43,774^	54.72
Tan Beng Watt	500	0.80	-	-	1,101	1.38	-	-
Tang Fook Weng	-	-	-	-	150	0.19	-	-
Ng Kim Huat	-	-	-	-	150	0.19	-	-

Notes:

- * Deemed interest by virtue of his shareholding in Exacta and the shareholding of Sharon Sun, his spouse, pursuant to Section 6A of the Companies Act
- ^ Deemed interest by virtue of the shareholding of Jeff Wang, her spouse, and his shareholding in Exacta pursuant to Section 6A of the Companies Act
- + Assuming full subscription of Public Issue Shares reserved for them under the Pink Form share allocation scheme pursuant to the Public Issue

- (v) Based on the Register of Substantial Shareholdings as at 17 November 2004 (being the latest practicable date prior to the registration of this Prospectus), the substantial shareholders and their respective direct and indirect interests in the shares of the Company before and after the Public Issue are as follows:

Substantial Shareholders	Before the Public Issue				After the Public Issue ⁺			
	Direct		Indirect		Direct		Indirect	
	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%	No. of shares ('000)	%
Exacta	39,000	62.50	-	-	39,000	48.75	-	-
Jeff Wang	4,000	6.41	43,000*	68.91	4,774	5.97	43,750*	54.69
Sharon Sun	4,000	6.41	43,000^	68.91	4,750	5.94	43,774^	54.72
Wang Chi Chao	3,600	5.77	-	-	3,600	4.50	-	-
Hung Chung Che	3,600	5.77	-	-	3,600	4.50	-	-

Notes:

- * Deemed interest by virtue of his shareholding in Exacta and the shareholding of Sharon Sun, his spouse, pursuant to Section 6A of the Companies Act
- ^ Deemed interest by virtue of the shareholding of Jeff Wang, her spouse, and his shareholding in Exacta pursuant to Section 6A of the Companies Act
- + Assuming full subscription of Public Issue Shares reserved for them under the Pink Form share allocation scheme pursuant to the Public Issue

15.0 ADDITIONAL INFORMATION (Cont'd)

- (vi) Save as disclosed in Section 8 of this Prospectus, none of the Directors or substantial shareholders of the Company has any interest in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company, taken as a whole.

15.4 Material Contracts

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company within two (2) years immediately preceding the date of this Prospectus:

- (i) A sale and purchase agreement dated 15 October 2003 entered into between Excel Force MSC and Affinity Land Sdn Bhd for the purchase of the Company's existing office premises known as 611 Block B, Pusat Dagangan Phileo Damansara II, No. 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya measuring approximately 2,583 square feet for a cash consideration of RM490,770. The transaction was completed on 9 February 2004;
- (ii) Underwriting Agreement dated 8 September 2004 entered into between Excel Force MSC and Alliance for the underwriting of up to 6,000,000 new Excel Force MSC Shares at an issue price of 43 sen per Share pursuant to the Public Issue for an underwriting commission of 2.5% of the said issue price;
- (iii) Placement Agreement dated 15 October 2004 entered into between Excel Force MSC and Alliance whereby Alliance agreed to act as Placement Agent for the placement of 11,600,000 new Excel Force MSC Shares at an issue price of 43 sen per Share pursuant to the Public Issue for a placement fee of 2%; and
- (iv) Sponsorship Agreement dated 15 October 2004 entered into between Excel Force MSC and Alliance to appoint Alliance as the sponsor for the Company for a period of one (1) year after listing for an annual fee of RM50,000.

15.5 Material Agreements

Save as disclosed below, there are no agreements which are material (including but not limited to shareholders' agreements, agreements underlying the basis of the corporation's business, supplier agreements, customer agreements and insurance policies) which have been entered into by the Company in the ordinary course of business within two (2) years immediately preceding the date of this Prospectus:

- (i) A deed of assignment of copyright dated 1 July 2003 entered into between Exacta and Excel Force MSC for the assignment by Exacta to Excel Force MSC of all rights, title, interest and goodwill to the Stockbroking Application Solutions for a total cash consideration of RM1,000,000;
- (ii) A deed of assignment of trademark dated 1 July 2003 entered into between EFSB and Excel Force MSC for the assignment by EFSB to Excel Force MSC of all rights, title, interest and goodwill to trademark which consists of the words "CyberStock" for a total cash consideration of RM10,000;
- (iii) An outsourcing agreement dated 1 July 2003 entered into between the Company and RHB Securities Sdn Bhd ("RHB Securities") for the delivery of a customised licensed system and the outsourcing of the maintenance thereof to the Company for a period of twelve (12) months from the date RHB Securities executes the Certificate of Acceptance;

15.0 ADDITIONAL INFORMATION (Cont'd)

- (iv) A service agreement dated 31 July 2003 entered into between the Company and Free Net Business Solutions Sdn Bhd ("Freenet") whereby the Company subscribes to Freenet for private vault room service and related support services by FreeNet. The term of the agreement is one (1) year and may be extended to a further term subject to mutual agreement. On 1 July 2004, the Company and FreeNet had mutually agreed to extend the term of the agreement for a further term of 1 year;
- (v) An ASP Agreement dated 31 October 2003 entered into between the Company and HLG Securities Sdn Bhd ("HLG Securities") for the delivery of a customised licensed system and the outsourcing of hosting services for main servers, support, maintenance and management of application services thereof to the Company for a period of twenty-four (24) months from the date HLG Securities executes the Certificate of Acceptance;
- (vi) An ASP agreement dated 26 February 2004 entered into between the Company and K & N Kenanga Berhad ("Kenanga") for the delivery of a customised licensed system and the outsourcing of hosting services for main servers, support, maintenance and management of application services thereof to the Company for a period of twenty-four (24) months from the date Kenanga executes the Certificate of Acceptance; and
- (vii) A reseller and software license agreement dated 26 March 2004 entered into between the Company and Actuate Corporation, USA ("Actuate") to appoint the Company as a reseller for Actuate software for a term of one (1) year.

15.6 Public Take-Overs

During the last financial year and the current financial year, there were no:

- (i) Public take-over offers by third parties in respect of the Company's shares; and
- (ii) Public take-over offers by the Company in respect of other companies' shares.

15.7 General

- (i) The time of opening and closing of the Application is set out in Section 16 of this Prospectus.
- (ii) Save as disclosed in Section 3.12 of this Prospectus, the Directors of Excel Force MSC are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over the Company.
- (iii) Save for the Public Issue Shares offered to the eligible employees of Excel Force MSC as disclosed in Section 2.4 of this Prospectus and the ESOS as disclosed in Section 14 of this Prospectus, there are no other scheme involving the employees in the capital of the Company.

15.0 ADDITIONAL INFORMATION *(Cont'd)*

15.8 Consents

The written consents of the Adviser/Underwriter/Placement Agent/Sponsor, Company Secretaries, Principal Banker, Issuing House, Registrar, Corporate and Due Diligence Solicitors to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors/Reporting Accountants to the inclusion of their name, the Accountants' Report and their letters relating to the proforma balance sheets as at 30 June 2004 in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Market Researcher to the inclusion of their name in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of PIKOM to the inclusion of their name in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

15.9 Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the Company at Level 11-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours for a period of twelve (12) months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of Excel Force MSC;
- (ii) The Reporting Accountants' letter relating to the proforma balance sheets included in Section 9.7 of this Prospectus;
- (iii) The Accountants' Report as included in Section 12 of this Prospectus;
- (iv) The Directors' Report as included in Section 13 of this Prospectus;
- (v) The material contracts referred to in Section 15.4 of this Prospectus;
- (vi) The material agreements referred to in Section 15.5 of this Prospectus;
- (vii) The service agreements referred to in Section 6.9 of this Prospectus;
- (viii) The letters of consent referred to in Section 15.8 of this Prospectus;
- (ix) The letter of undertaking by Jeff Wang to Excel Force MSC dated 27 August 2004 ("Letter of Undertaking") referred to in Section 3.3 of this Prospectus;
- (x) The legal opinion on the Letter of Undertaking referred to in Section 3.3 of this Prospectus;
- (xi) The audited financial statements of Excel Force MSC for the period from 6 February 2002 to 31 December 2002, FYE 31 December 2003 and the six (6) month period ended 30 June 2004; and
- (xii) The IDC research report titled "Stock Broking IT Spending Market and Structural Analysis", 2003.

15.0 ADDITIONAL INFORMATION (Cont'd)

15.10 Responsibility Statements

This Prospectus has been seen and approved by the Directors and Promoters of Excel Force MSC and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements, or other facts, the omission of which would make any statement herein false or misleading.

Alliance, being the Adviser, Underwriter, Placement Agent and Sponsor, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public issue.

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