

Transforming For Growth

07
Annual Report



Our Mission

To optimise our resources to focus on expansion and growth
To be in the forefront of promoting the latest technology



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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at the Perdana Room, Equestrian Club, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 50000 Kuala Lumpur on Tuesday, 24th June 2008 at 10.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2007 and the Reports of the Directors and the Auditors thereon. (Please refer to Note 1).
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2007. **(RESOLUTION 1)**
3. To re-elect the following Directors retiring in accordance with Article 103 of the Company's Articles of Association:-
 - a) Wang Kuen-Chung @ Jeff Wang - Article 103 **(RESOLUTION 2)**
 - b) Sun Chin-Chuan @ Sharon Sun - Article 103 **(RESOLUTION 3)**
4. To re-appoint Messrs Tan Chin Huat & Co. as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the Auditors' remuneration. **(RESOLUTION 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution: -

5. ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting excluding the number of ordinary shares arising from the exercise of Employees' Share Option Scheme (ESOS), and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(RESOLUTION 5)

6. To transact any other business which may properly be transacted at an Annual General Meeting for which due notice shall have been given.

By Order of the Board



LIM SECK WAH (MAICSA 0799845)

M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA 0781031)

Company Secretaries

Dated this 2nd day of June 2008
Kuala Lumpur

Notice of Annual General Meeting

Notes:

1. The Agenda No. 1 is meant for discussion only as the provision of Section 169 (1) of the Companies Act, 1965 does not require a formal approval of shareholders and hence, is not put forward for voting.
2. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.
5. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorised.
6. The Form of Proxy must be deposited at the Company's Share Registrar Office at Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. **Explanatory note on Special Business**
 - 7.1 The proposed Ordinary Resolution 5 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Notice of Annual General Meeting

Statement Accompanying Notice of the Sixth Annual General Meeting

(1) Venue, Date and Time of the Sixth Annual General Meeting

Venue : Perdana Room,
Equestrian Club,
Bukit Kiara Resort,
Jalan Bukit Kiara,
Off Jalan Damansara,
50000 Kuala Lumpur
Time & Date : 10.30 a.m., Tuesday, 24 June 2008

(2) Director Standing for Re-election

Wang Kuen-Chung @ Jeff Wang and Sun Chin-Chuan @ Sharon Sun are standing for re-election pursuant to Article 103 of the Company's Articles of Association. Their profiles are set out in the section on Directors' Profile of this Annual Report.

(3) Attendance of Directors at Board Meetings

Details of attendance of Directors at Board meetings held for the financial year ended 31 December 2007 are set out in the Statement of Corporate Governance of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

Wang Kuen-Chung @ Jeff Wang, Chairman and Managing Director

Sun Chin-Chuan @ Sharon Sun, Executive Director

Ng Kim Huat, Independent Non-Executive Director

Aaron Sim Kwee Lein, Independent Non-Executive Director

COMPANY SECRETARIES

Lim Seck Wah (MAICSA 0799845)

M. Chandrasegaran a/l S. Murugasu
(MAICSA 0781031)

NOMINATION COMMITTEE

Ng Kim Huat (Chairman)

Aaron Sim Kwee Lein

AUDIT COMMITTEE

Aaron Sim Kwee Lein (Chairman)

Ng Kim Huat

Sun Chin-Chuan @ Sharon Sun

REMUNERATION COMMITTEE

Ng Kim Huat (Chairman)

Aaron Sim Kwee Lein

Wang Kuen-Chung @ Jeff Wang

BUSINESS OFFICE

Pusat Dagangan Phileo Damansara II

611, Block B, No. 15, Jalan 16/11

Off Jalan Damansara

46350 Petaling Jaya

Selangor Darul Ehsan

Tel: 03-7660 0588

PRINCIPAL BANKER

Hong Leong Bank Berhad

26, Lorong Rahim Kajai 14

Taman Tun Dr Ismail

60000 Kuala Lumpur

Tel: 03-7729 3716

REGISTERED OFFICE

Level 15-2, Faber Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: 03-2692 4271

Fax No.: 03-2732 5388

SPONSOR

Public Investment Bank Berhad

25th Floor, Menara Public Bank

146, Jalan Ampang, 50450 Kuala Lumpur

Tel: 03-2166 9382

AUDITORS

Tan Chin Huat & Co. (AF 1395)

Unit 232, 2nd Floor, Block A

Damansara Intan

1 Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan

Tel: 03-7726 8992

REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 26, Menara Multi-Purpose

Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Tel: 03-2721 2222

Fax No.: 03-2721 2530

SOLICITORS

Cheong Wai Meng & Van Buerle

No. 30, 2nd Floor, Jalan USJ 10/1

47620 Subang Jaya

Selangor Darul Ehsan

Tel: 03-5638 7621

STOCK EXCHANGE LISTING

MESDAQ Market of

Bursa Malaysia Securities Berhad

Management Discussion



Dear valued shareholders,

On behalf of the Board of Directors, we are pleased to present to you the financial results and business performance of Excel Force MSC Berhad ("EForce" or "Company") for the financial year ended ("FYE") 31 December 2007.

Industry Trend & Development

During the Ninth Malaysia Plan, 2006-2010 ("9MP") period, the financial services sector is expected to grow at an average annual rate of 7.0 per cent per annum. Domestic banking groups are encouraged to provide complete and integrated financial solutions to their customers and achieve cost efficiency through group rationalisation. The emphasis will be on enhancing the role of financial holding companies in pursuing group strategies that promote greater risk and income diversification, synergy creation and enhanced branding. The greater use of Information and Communications Technology ("ICT") will also be promoted to enhance risk management capabilities, improve delivery, and provide seamless and customised services. Competitive pressure will accelerate adoption of international best practices and standards towards strengthening the level of professionalism and at the same time encourage banking institutions to continually differentiate themselves through product and service offerings.

Even though the Malaysian capital markets was to a certain extent affected by the US subprime mortgage crisis, the outlook for the capital market remains positive on the back of sustained domestic economic conditions and a favourable external sector. The presence of foreign players in the domestic market is expected to spur competition through the introduction of more innovative financial products or services. This will result in an increase in demand for more sophisticated tools to ensure new financial products and services are offered.

At the same time, Bursa Malaysia Securities Berhad's continuous effort in the implementation of its major projects such as ECOS Gateway and Bursa Trade to facilitate the Direct Market Access ("DMA"), has gradually shown the liberalisation of the Malaysian capital markets. This is a good indication that the Malaysian capital markets is brought up to an international level and become more competitive as compared to other stock exchanges in the Asian Pacific region.

The Company views this transformation from a couple of perspectives. Brokers are now given the choice and flexibility to choose the online trading system which best suit their business needs, while retail investors are being provided the choice of trading system with a wider range of information required for share trading executions. Finally as a system provider like EForce, this in turn will create more business opportunities for the Company to tap into.

With the liberalisation of the financial markets, EForce had penetrated the overseas market such as Vietnam. The Company had also successfully launched its products in Vietnam by securing two (2) customers which have contributed to the additional sales for EForce's application solutions business segment. Moving forward, EForce will work towards gaining a better understanding of the overseas requirements and to develop products that would suit the respective overseas business needs in order to gain more market share in the markets abroad.

Financial Performance and Business Review

For the FYE 2007, EForce achieved a total revenue of RM11.88 million as opposed to RM5.47 million in the preceding year. This revenue was 117% higher than the preceding year due mainly to higher sales generated from the outright sale of its application solutions as well as the recurring income generated from the Application Services Providers ("ASP") business model. This is in tandem with the Company's medium term strategy to expand the business of its application solutions and to develop the ASP business model to enable EForce to generate a steady and growing recurring income. For the FYE 2007, the Company had successfully secured a few new stockbroking based customers in Malaysia and Vietnam.

For the FYE 2007, EForce recorded a profit before tax ("PBT") of RM5.99 million (31.12.06: RM1.97 million) and profit after tax ("PAT") of RM5.85 million (31.12.06: RM1.90 million) reflecting an improvement of approximately 204% and 208% respectively over the preceding year. The huge increase in profit was due mainly to higher other income and increased sales in application solutions resulting from new customers secured under outright sales and ASP business segments.

Currently, EForce has a total of fifteen (15) stockbroking based customers out of the market total of thirty-four (34) stockbroking houses and six (6) bank based customers out of the total market of nine (9) banks in Malaysia,

Management Discussion

of which majority of them are currently using EForce's online trading system under the ASP business model. On the international front, we have secured two (2) new customers in 2007, namely, Kim Eng Vietnam Securities Company and An Binh Securities Joint Stock Company, with stockbroking businesses in Ho Chi Minh and Hanoi respectively.

Research and Development

Research and development ("R&D") activities are a continuous endeavour of EForce. The main focus of the Company will be in its continuous development of new enhanced application system referred to as CyberStock@ 3G. The new system will be able to facilitate the trading of multiple financial instruments over multiple exchanges under the same platform.

In view of the Company's new market expansion in Vietnam, the Company had also channeled its R&D efforts to the development of application system for customers in Vietnam. The total R&D expenditure for the FYE 2007 amounted to RM1,443,630 (2006: RM1,743,000).

The Company regards R&D as a vital investment in order to remain competitive in the market. Therefore, R&D expenditure will continue to have a material financial impact on the Company. The investments in R&D have made positive contributions to the financial performance of the Company in the past and are expected to make further contributions in the future.

Future prospects for EForce

Bursa Malaysia Securities Berhad ("Bursa Securities") has progressively introduced the implementation of various projects to liberalise Malaysian capital markets and to facilitate the DMA. This will enable the link up of local financial markets to worldwide markets. As the inclination of our financial market towards a liberalised trading system has provided users with a more complete range of services, this will therefore create more business opportunities for EForce.

This progression has given the local brokers the choice to choose an online trading system which best suits their business requirements. Thus, it has created ample opportunities for the suppliers of online trading system such as EForce. Being one of the suppliers for online trading system, EForce has the necessary experience in delivering online trading systems to facilitate the capital market transactions. EForce continuously strive to move forward and the Company is currently in the midst of applying to become a DMA approved vendor.

EForce has received numerous enquiries from the local brokers on the application system for the cross border trading. To cater for their needs on the cross border trading, the Company had developed the application system known as FIX Gateway which is now ready to serve as a start off to make the cross border trading feasible. At the same time, EForce will continue to focus on developing new products featuring more comprehensive functions to cater for cross border trading. The CyberStock@ 3G will be a vital development of the Company to meet the increasing demand of enhanced trading functions that cater for retail and institutional investors.

At the international front, Vietnam will be the focus of EForce as the target market for its business expansion plans in 2008. Since 2007, licenses for setting up of new stockbroking houses were continuously being issued by the Vietnamese government and this augurs well for the international players like EForce. With a successful footing in Vietnam, EForce expects to secure more stockbroking based customers in 2008.

Appreciation

On behalf of the Board of Directors, we would like to acknowledge the management team and all our employees at EForce for their continuous dedication, contribution and efforts in driving the Company forward.

In addition, we would also like to take this opportunity to extend our thanks to our shareholders, business partners and clients for their invaluable support rendered to the Company. We look forward to further collaboration in weathering future challenges in the years ahead.

The Management
Excel Force MSC Berhad
21 May 2008

Directors' Profile

Wang Kuen-Chung @ Jeff Wang, a Taiwanese national, aged fifty-one (51), is the founder Chairman and Managing Director of EForce. Jeff Wang graduated from Dan Jiang University, Taiwan with a Bachelor of Commerce Degree majoring in International Trade. In 1980, he started his career as a Marketing Engineer in a manufacturing firm in Taiwan. In 1984, he joined Acer Computer Group of Taiwan and managed the distributorship of computer products of AT & T. In 1987, he invested and co-founded a software business that developed and marketed manufacturing resource planning solutions. In 1989, he became a Director cum Personal Assistant to the Chairman of Telex Corporation. He was responsible for the management of the overseas operations of Telex Corporation in China, Hong Kong, Malaysia and Thailand. In 1994, he and his wife, Sharon Sun founded Excel Force Sdn Bhd, a company incorporated in Malaysia to venture into the development and marketing of stock market information systems and application software. In December 2004, Jeff Wang restructured the business and assets of Excel Force Sdn Bhd into Excel Force MSC Bhd and successfully listed the latter on the MESDAQ Market of Bursa Securities. Presently, Jeff Wang is responsible for the overall planning and management of the business and operations of the Company. He is a member of the Remuneration Committee.

Sun Chin-Chuan @ Sharon Sun, a Taiwanese national, aged fifty-one (51), and spouse of Jeff Wang, is the co-founder and Executive Director of EForce. Sharon Sun graduated with a degree in Sociology from the University of Tung Hai, Taiwan. In 1986, she started her career as a General Department Manager with a civil engineering firm in Taiwan where she was responsible for project management. In 1992, she worked as Accounts Manager and rose to the position of Marketing Director in a production house in Taiwan. She was responsible for the management of the production requirements of her clientele. In 1994, she joined Jeff Wang to start up Excel Force Sdn Bhd. Presently, Sharon Sun is responsible for the management of the corporate affairs and administration of EForce. She also plays a key role in the business development activities. She is a member of the Audit Committee.

Ng Kim Huat, a Malaysian, aged fifty (50), was appointed as an Independent Non-Executive Director of EForce on 1 September 2004. He has twenty-four (24) years of working experience in the IT industry. He obtained a Bachelor of Science (Honours) degree majoring in Computer Science from University Science Malaysia and subsequently obtained a Master of Business Administration degree from University of Bath (UK). He started his career in information technology sector in 1983 and has assumed various positions in banking, stock-broking and the insurance industry. He was involved in many application system development maintenance and support projects, which include the retail banking system, corporate banking system, shared ATM network under the Malaysia Electronic Payment System (MEPS), Credit Card Administration System, Stock Broking Back Office System, Share Margin Financing System, Online Stock Trading System, General Insurance and Life Insurance Systems. He is currently attached to a large insurance group in Malaysia as an Executive Vice President in charge of information technology systems. He has no family relationship with any Directors or major shareholders of the Company. Presently, he is the Chairman of the Remuneration Committee, Nomination Committee and a member of the Audit Committee.

Aaron Sim Kwee Lein, a Malaysian, aged forty-two (42), was appointed as an Independent Non-Executive Director of EForce on 22 November 2006. He is a Fellow Member of the Chartered Association of Certified Accountants (ACCA), a member of CPA Australia, a Chartered Accountant of the Malaysian Institute of Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia. He started his career with an international accounting firm and had gained professional exposure over the years in stock-broking, trading, manufacturing and construction companies. Thereafter, he joined a listed company on the Main Board of Bursa Securities, as an Internal Auditor where he was engaged in the audit of stock-broking, manufacturing, retail and distribution companies. In addition, he was also involved in due diligence, operational rationalisation and strategic planning for corporate acquisitions exercises. Before he became the Deputy General Manager of Corporate Strategies of a glove manufacturing company, he was the Finance & Administrative manager in a food retail franchise chain company. He is currently the principal consultant of Omni Biz Consulting, a company involved in offering business and financial advisory services. He is also an Independent Non Executive Director of Freight Management Holdings Bhd. Presently, he is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee. He has no family relationship with any Directors or major shareholders of the Company.

Conflict of Interest

None of the Directors have any conflict of interest with the Company.

Convictions for Offences

None of the Directors have been convicted for any offence (other than ordinary traffic offences, if any) within the past ten (10) years.

Statement of Corporate Governance

The Board of Directors is pleased to report that the Company is in compliance with the principles and the codes of best practice as set out in Part 1 and Part 2 of the Malaysian Code on Corporate Governance in directing and managing businesses and affairs of the Company to safeguard and enhance shareholder value and performance of the Company.

A. THE BOARD OF DIRECTORS

(i) The Board

The Board of Directors comprises of Executive and Non-Executive Directors from various fields and together they bring in a balance of skills and experience appropriate to the business.

The Board's function, amongst others, is to guide the Company on its short and long term goals, providing advice and directions on management and business development issues while providing balance to the management of the Company.

(ii) Board Balance and Independence

The Company is led by an experienced Board, which is made-up of four (4) members; comprising two (2) Executive Directors and two (2) Independent Non-Executive Directors from various fields and together they bring in a balance of skills and experience appropriate to the business.

The Independent Non-Executive Directors are persons of caliber and credibility with the ability to exercise independent judgment in the Board of Directors without fear or favour. Their role is to ensure that any decision of the Board of Directors is deliberated fully and objectively with regards to the long term interest of all stakeholders.

(iii) Board Meeting and Supply of Information

The Board meets on a scheduled basis, at least four (4) times a year to control and monitor the development of the Company. Additional meetings will be convened as and when needed. The agenda and Board papers for each item as well as minutes of previous meetings are circulated prior to the Board meetings to give Directors sufficient time to deliberate on the issues to be raised at the Board meetings.

Upon recommendation by the management/committee members, the Board will deliberate and discuss on all matters before any decision will be made. All proceedings of the Board meetings are minuted and signed by the Chairman of the meeting in accordance with the provision of Section 156 of the Companies Act, 1965.

The Board is kept updated on the Company's activities and its operations on a regular basis. The Directors also have to access to all reports on the Company's activities, both financial and operational.

The summary of attendance at the Board meetings held for the FYE 2007 are as follows:

	<u>Designation</u>	<u>Number of meetings attended</u>
Wang Kuen-Chung @ Jeff Wang	Chairman & Managing Director	4 / 4
Sun Chin-Chuan @ Sharon Sun	Executive Director	4 / 4
Ng Kim Huat	Independent Non-Executive Director	4 / 4
Aaron Sim Kwee Lein	Independent Non-Executive Director	4 / 4

(iv) Appointments to the Board and Re-election

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for an effective Board.

Statement of Corporate Governance

In accordance with the Company's Articles of Association, an election of Directors shall take place each year during the annual general meeting. All Directors shall retire from office at least once every three (3) years, but shall be eligible for re-election. At the forthcoming Annual General Meeting, Wang Kuen-Chung @ Jeff Wang and Sun Chin-Chuan @ Sharon Sun are standing for re-election pursuant to Article 103 of the Company's Articles of Association. Their profiles are set out in the section on Directors' Profile of this Annual Report.

(v) Directors' Training and Continuing Education Program

All the Directors of the Company are encouraged to attend training programs to supplement their knowledge in the latest developments relevant to the Company, especially in the areas of corporate governance and regulatory development, to enable them to discharge their responsibilities more effectively.

The summary of training attended by the Directors for the FYE 2007 are as follows:

	<u>Date</u>	<u>Program</u>
Ng Kim Huat	5 November 2007	Managing Corporate Mergers and Acquisitions
Aaron Sim Kwee Lein	5 November 2007	Managing Corporate Mergers and Acquisitions
Wang Kuen-Chung @ Jeff Wang	12 November 2007	Corporate Governance and Media
Sun Chin-Chuan @ Sharon Sun	12 November 2007	Corporate Governance and Media

(vi) Directors' Remuneration

The Remuneration Committee reviews and recommends to the Board the remuneration of the Executive Directors. For the year under review, the aggregate remuneration of Directors paid is categorised into the following table:

	Fees (RM)	Salary and Bonus (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors	100,000	311,520	-	411,520
Non-executive Directors	48,000	-	-	48,000
Total	148,000	311,520	-	459,520

Range of Remuneration	No. of Directors	
	← Executive	Non-Executive →
RM0 - RM49,999	-	2
RM50,000 - RM99,999	-	-
RM100,000 - RM149,999	-	-
RM150,000 - RM199,999	1	-
RM200,000 - RM249,999	1	-

B. BOARD COMMITTEES

The Board has established the following committees:-

(i) The Audit Committee

Term and reference as well as further information on the Audit Committee are set out in the Audit Committee Report of this annual report.

(ii) The Nomination Committee

The Company has established a Nomination Committee on 27 February 2007, consisting of two (2) Independent Non-Executive Directors.

The Nomination Committee, which has been appointed by the Board of Directors, is primarily empowered by its terms of reference in carrying out the functions amongst others, to review annually the required mix of skills, experience and other qualities of the Directors and to recommend new appointments, if any, to the Board.

Statement of Corporate Governance

(iii) The Remuneration Committee

The Company has established a Remuneration Committee on 27 February 2007, consisting of two (2) Independent Non-Executive Directors and the Managing Director.

The Remuneration Committee's primary responsibility is to recommend to the Board of Directors, the remuneration of Directors. The Board, as a whole, determines the remuneration of the Directors and the individual Directors is required to abstain from discussing his own remuneration. The Remuneration Committee meets as and when necessary.

(iv) The Employee Share Option Scheme ("ESOS") Committee

The Board of Directors resolved to establish a committee to be known as the ESOS Committee on 14 December 2004. The allocation of options was reviewed by the Audit Committee to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the By-Laws of the ESOS.

C. SHAREHOLDERS

(i) Dialogue between Companies and Investors

The Company recognises the importance of timely dissemination of relevant corporate and other information to its shareholders and investors. Therefore, the Company complies strictly with the disclosure requirements of Bursa Securities for the MESDAQ Market and the Malaysian Accounting Standards Board.

(ii) The Annual General Meeting

All shareholders are encouraged to attend the Annual General Meeting, where the shareholders can participate and ask questions regarding the business operations and financial performance and position of the Company.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board of Directors endeavour to present a set of balanced financial statements that provides a true and fair view of the state of affairs of the Company at the end of each financial year. Before presenting the financial statements, the Directors have taken necessary steps to ensure that the Company applies accounting policies consistently, and that the policies are supported by reasonable and prudent judgment and estimates.

Directors' Responsibilities in Financial Reporting

The Board of Directors are required under Paragraph 15.26(a) of Bursa Securities's Listing Requirements to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

The Board of Directors are required by the Companies Act, 1965 to prepare financial statements which reflect a true and fair view of the state of affairs in the Company and the financial results of the Company for each financial year.

In preparing the financial statements, the Board of Directors are required to:

- Adopt suitable accounting policies consistently;
- Make judgments and estimates that are prudent and reasonable;
- Comply with applicable accounting standards;
- Prepare financial statements on a going concern basis unless otherwise stated; and
- Ensure proper keeping of accounting records with reasonable accuracy.

Statement of Corporate Governance

The Board of Directors are responsible for ensuring that proper accounting records are kept which discloses, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Board of Directors are satisfied that in preparing the financial statements of the Company for the FYE 2007, the Company has used appropriate accounting policies and applied them consistently and prudently. The Board of Directors are of the opinion that the financial statements have prepared in accordance with all relevant approved accounting standards and have been prepared on a going concern basis.

(ii) Internal Control

The Board of Directors is responsible for the establishment and continuous development of key policies and procedures pertaining to the system of internal control, which provides reasonable assurance of an effective and efficient operation, management of risks, safeguarding of assets, generation and retention of accurate financial records and compliance with laws and regulations.

The Board of Directors and Audit Committee work closely with internal and external auditors to review and improve the system of internal controls from time to time with the objective to safeguard the assets of the Company and to ensure proper accountability at all levels of operations. Details of the Internal Control system are stated in the Statement of Internal Control in the Annual Report.

(iii) Relationship with Auditors

The Board of Directors has established a formal and transparent arrangement with its external auditors to meet their professional requirements. The auditors have continued to highlight to the Audit Committee and the Board of Directors matters that require the Board of Directors' attention.

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

There was no material contracts entered into by the Company which involved the Directors' and substantial shareholders' interests in the FYE 2007

Non-Audit Fees

The non-audit fees of RM5,000.00 were paid by the Company to the external auditors during the financial year.

Revaluation Policy on Landed Property

The Company does not have a revaluation policy in respect of its landed properties.

Recurrent Related Party Transactions ("RRPT") of Revenue Nature

There were no RRPT in the Company during the financial year.

Option, Warrants or Convertible 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 financial year under review except for the following:

On 5 December 2007, the Company offered 1,960,000 ESOS options at an exercise price of RM0.36 per share to the eligible employees of the Company for a period of two (2) years starting from 5 December 2007 of which 1,690,000 of the ESOS Options offered were accepted. The ESOS options will expire on 4 December 2009.

The allocation of options was reviewed by the Audit Committee to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the By-Law of the ESOS.

Statement of Corporate Governance

The ESOS options offered to the non-executive Directors of the Company in respect of the FYE 2007 is as follow:-

<u>Name of Director</u>	<u>Amount of options offered</u>	<u>Amount of options exercised</u>
Aaron Sim Kwee Lein	250,000	-
Total	250,000	-

Pursuant to the authority given by the shareholders of the Company at the Extraordinary General Meeting held on 7 September 2007, the issued and paid-up share capital of the Company increased from RM8,000,000 to RM12,000,000 by way of bonus issue of 40,000,000 new ordinary shares of RM0.10 each credited as fully paid-up to the shareholders of the Company on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held through the capitalisation of RM4,000,000 from the share premium account of the Company.

As at 31 December 2007, the issued and paid-up share capital of the Company was further increased from RM120,000,000 to RM120,097,500 through the issuance of 975,000 new ordinary shares of RM0.10 each for cash pursuant to the Company's ESOS details of which are illustrated below:

<u>Date of Allotment</u>	<u>ESOS options granted on 20 December 2004 which have been exercised</u>	<u>ESOS options granted on 1 July 2005 which have been exercised</u>	<u>Total</u>
11 December 2007	130,500	844,500	975,000

Corporate Social Responsibility (CSR)

The Company views CSR as a continuing commitment by businesses to behave ethically and contribute to economic and social development while improving the quality of workforce, stakeholders' value and the local community at large.

The Company supports the charity activities of Selangor and Federal Territory Association for Retarded Children (S.A.R.C.). The S.A.R.C. is a non-profit voluntary organisation providing education, training and care for mentally handicapped children and young adults so that they may realise their full potential. We also contribute to St. Nicholas' Home for their campaign on "make life better" for the blind and visually impaired persons and their families.

Other Information

During the FYE 2007, the Company:-

- has not undertaken sponsorships of any American Depository or Global Depository Receipt programmes;
- has not involved in any sanctions and/or penalties imposed on the Company, Directors or management staff by the relevant regulatory bodies;
- has not issued or announced any profit estimate, forecast or projection; or
- has not issued any profit guarantees.

Utilisation of Proceeds

As at 31 December 2007, the listing proceeds raised from the Company's listing exercise is fully utilised as follows:

	<u>Amount approved for utilisation</u> <u>RM'000</u>	<u>Revised amount approved for utilisation*</u> <u>RM'000</u>	<u>Actual utilisation</u> <u>RM'000</u>
Working Capital	7,688	7,884	7,884
Research & Development Expenses	1,500	1,500	1,500
Listing Expenses	1,100	904	904
	<u>10,288</u>	<u>10,288</u>	<u>10,288</u>

Note:

- * On 16 December 2005, the Company applied to the Securities Commission ("SC") for an extension of time for and variation to the utilisation of listing proceeds. The application was approved by the SC on 17 January 2006.

Audit Committee Report

The principal objective of the Audit Committee is to assist the Board of Directors to discharge its statutory duties and responsibilities in relation to financial, accounting and reporting responsibilities and to ensure proper disclosure to the shareholders of the Company.

Composition and Meetings

The members of the Audit Committee and details of their attendance of the meetings during the FYE 2007 are as follows:

	<u>Designation/ Directorship</u>	<u>Number of meetings attended</u>
Aaron Sim Kwee Lein	Chairman of Committee/ Independent Non-Executive Director	4/4
Ng Kim Huat	Member of Committee/ Independent Non-Executive Director	4/ 4
Sun Chin-Chuan @ Sharon Sun	Member of Committee/ Executive Director	4 / 4

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Board from among its members shall appoint the Audit Committee that fulfils the following requirements:-

- a) The Audit Committee must be composed of no fewer than three (3) members.
- b) A majority of the Audit Committee members must be Independent Directors.
- c) All members of the Audit Committee should be able to read, analyse and interpret financial statements. At least one (1) of them :-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountant Act, 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by the Exchange.
- d) The members of the Audit Committee shall elect a Chairman among their number who shall be an Independent Director.
- e) No alternate Director is appointed as a member of the Audit Committee.
- f) If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members.

The Company would like to disclose that it has yet to fulfill the requirement of Audit Committees to be comprised solely of non-executives and will endeavour to comply with the Code in the future.

Notice of Meeting and Attendance

The Audit Committee shall meet regularly, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

The agenda for Audit Committee meetings shall be circulated before each meeting to members of the Committee. The Audit Committee may require the external auditors and any official of the Company to attend any of its meetings as determined. The external auditors shall have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee.

The Company Secretary shall be the secretary of the Committee. Minutes of each meeting are to be prepared and sent to the Audit Committee members inclusive of the Company's Directors who are not members of the Audit Committee.

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have adequate resources and unrestricted access to any information from both internal and external auditors and all employees of the Company in performing its duties;
- c) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- d) be able to obtain external legal or other independent professional advice and to invite outsiders with relevant experience to attend, if necessary; and
- e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Duties and Responsibilities

The Audit Committee has the following duties and responsibilities, namely:-

- a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;
- b) To review the audit plan and audit report with the external auditors;
- c) To review with the external auditor, his evaluation of the system of internal controls;
- d) To review the assistance given by the Company to the external auditor;
- e) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- f) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- g) To review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- h) To review any related party transaction and conflict of interest situation that may arise within the listed company including any transaction, procedure or course of conduct that raises questions of management integrity;

Audit Committee Report

- i) To review whether there is reason (supported by grounds) to believe that the listed company's external auditor is not suitable for re-appointment; and
- j) To verify the allocation of options pursuant to a share scheme for employees at the end of each financial year.

Summary of Audit Committee Activities

During the financial year, the Audit Committee has carried out its duties as set out in the terms of reference detailed below:

- a) Reviewed the scope of work of the external auditors and audit plans for the year;
- b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- c) Reviewed the internal auditors' scope of work;
- d) Checked with the internal auditors on any findings which require the committee's attention;
- e) Reviewed the internal control policy and internal control system;
- f) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval; and
- g) Reviewed the allotment of ESOS options that were granted to eligible employees during the year to ensure its compliance to the criteria set out in the By-Laws of the Company's ESOS.

INTERNAL AUDIT FUNCTIONS

The Company has outsourced its internal audit division to Sterling Business Alignment to assist the Audit Committee in discharging their responsibilities and duties. The role of the internal audit functions is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactory and effectively.

The internal audits cover the review of the adequacy of risk management, operational controls, and compliance with established procedures, guidelines and statutory requirements.

Statement on Internal Control

The revised Malaysian Code on Corporate Governance requires listed companies to maintain a sound internal control system to safeguard shareholders' investments and the Company's assets. The Board of Directors recognises the importance of good practice of corporate governance and is pleased to provide the following statement which outlines the nature and scope of internal control of the company.

Board Responsibility

The Board of Directors affirms its overall responsibility for the Company's systems of internal controls, risk management and for reviewing the adequacy and integrity of these systems. The systems of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss as it is designated to manage rather than eliminate the risk of failure to achieve the Company's business objectives

The key elements of the Company's internal control system include:-

1. Clearly defined delegation of responsibilities and authority limits have been established for all aspects of the business. These delegations of responsibilities and authority limits are subject to periodic review throughout the year as to its implementation and for the continuing suitability;
2. Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements;
3. Makes effort to appoint independent external auditor to review the adequacy and integrity of internal control system of the business units. The reports would then be submitted to the Audit Committee, which reviews the findings with management at its quarterly meetings. These, together with the external auditor's reports will provide reasonable assurance that the internal controls procedures are in place and are being followed; and
4. Regular and comprehensive information covering financial performance and key business indicators are provided to management.

The Board of Directors recognises that the Company is growing and thus the internal control system will continuously be enhanced to suit the needs and requirements of the Company.

Risk Management

Risk management is an integral part of the Company business operations and it is subjected to periodic review by the Board of Directors. The Company adopted a structured risk management framework with discussions involving different levels of managements to identify and address risks faced by the Company.

Based on the assessment of the internal control systems of the Company, the Board of Directors is of the view that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year up to the date of the approval of the Annual Report.

Internal Audit Functions

The management has provided the Board of Directors the assurance with regards to the adequacy and effectiveness of risk management, internal control and governance systems to comply with the relevant laws, regulations, directives, guidelines and agreements.

The Company has outsourced its internal audit functions to an independent professional consulting firm as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is proposed to be carried out as per the annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach in addition to an independent and objective reporting on the state of Company's internal control system.

This statement is made in accordance with the resolution given by the Board of Directors dated 25 February 2008.

Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31st December 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are in the development, provision and maintenance of computer software application solutions for the financial services industry. There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

The results of the operations of the Company for the financial year are as follows:-

	RM
Profit before tax	5,991,685
Income tax expense	<u>(145,898)</u>
Net profit for the financial year	<u><u>5,845,787</u></u>

DIVIDENDS

An interim dividend of 1.0 sen per ordinary share, tax exempt, amounting to RM800,000, which was proposed and declared in respect of the financial year ended 31st December 2006 was paid by the Company during the financial year.

The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

Pursuant to the authority given by the shareholders of the Company at the Extraordinary General Meeting held on 7th September 2007, the issued and paid-up share capital of the Company was increased from RM8,000,000 to RM12,000,000 by way of bonus issue of 40,000,000 new ordinary shares of RM0.10 each credited as fully paid-up to the shareholders of the Company on the basis of one new ordinary share for every two existing ordinary shares held through the capitalisation of RM4,000,000 from the share premium account of the Company.

Pursuant to the approval from the relevant authority and authority given to the directors of the Company via the Extraordinary General Meeting held on 17th November 2004, the issued and paid-up share capital of the Company was further increased from RM12,000,000 to RM12,097,500 through the issuance of 975,000 new ordinary shares of RM0.10 each for cash pursuant to the Company's Employees' Share Option Scheme (ESOS) at an average exercise price of RM0.24 per ordinary share. The resultant share premium arising from the shares issued during the year of RM134,580 has been credited to the share premium account.

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

The shareholders of the Company, via a Members' Circular Resolution dated 17th November 2004, approved the Excel Force MSC Berhad ESOS for the benefit of eligible directors and eligible employees of the Company.

The salient features of the ESOS are as follows:

- a) the total number of new shares which may be made 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 point of time during the existence of the ESOS;
- b) eligible persons are employees and directors that have attained the age of eighteen (18) years on the date of offer and either
 - (i) are classified as "employees" based on the terms of employment letter issued by the Company; or
 - (ii) in the case of directors, the name appears in the Register of Directors on or before the date of offer;
- c) not more than fifty per cent (50%) of the shares under the ESOS will be granted to the directors and senior management. In addition, the allocation to an eligible employee/director who, either singly or collectively through persons connected with the eligible employee/director, holds twenty per cent (20%) or more of the issued and paid-up share capital of the Company must not exceed ten per cent (10%) of the total number of shares available under the scheme;
- d) the option price shall be determined by the weighted average market price of the shares of the Company for the five (5) market days preceding the date of offer and may be at a discount of not more than ten per cent (10%) or at par value of the shares of the Company, whichever is higher; and
- e) the duration of the scheme shall be five (5) years from the commencement of the scheme.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this Report the names of employees who have been granted options in aggregate of less than 160,000 options during the financial year.

The share options granted and exercised during the financial year are as follows:

Option Price RM	← Date of Offer	Number of options over ordinary shares of RM0.10 each				→ As of 31.12.2007
		As of 01.01.2007	Bonus issue/Granted	Exercised	Lapsed	
0.29	20.12.2004	1,190,000	595,000	(130,500)	(123,000)	1,531,500
0.23	01.07.2005	10,242,000	5,121,000	(844,500)	(1,392,000)	13,126,500
0.36	05.12.2007	-	1,690,000	-	-	1,690,000

The names of option holders granted options to subscribe for 160,000 or more ordinary shares of RM0.10 each during the financial year are as follows:

Name	← Date of Offer	Number of options over ordinary shares of RM0.10 each				→ As of 31.12.2007
		As of 01.01.2007	Bonus issue/Granted	Exercised	Lapsed	
Wang Kuen-Chung @ Jeff Wang	20.12.2004	240,000	120,000	-	-	360,000
	01.07.2005	1,950,000	975,000	-	-	2,925,000
Sun Chin-Chuan @ Sharon Sun	20.12.2004	240,000	120,000	-	-	360,000
	01.07.2005	1,950,000	975,000	-	-	2,925,000

Directors' Report

Name	Date of Offer	Number of options over ordinary shares of RM0.10 each				As of 31.12.2007
		As of 01.01.2007	Bonus issue/Granted	Exercised	Lapsed	
Chua Kok Chuan	20.12.2004	90,000	45,000	-	-	135,000
	01.07.2005	736,000	368,000	-	-	1,104,000
Gan Teck Ban	20.12.2004	68,000	34,000	-	-	102,000
	01.07.2005	558,000	279,000	-	-	837,000
Wong Chee Long	20.12.2004	58,000	29,000	-	-	87,000
	01.07.2005	476,000	238,000	-	-	714,000
Chua Hui Cheng	20.12.2004	56,000	28,000	(84,000)	-	-
	01.07.2005	462,000	231,000	(693,000)	-	-
Eng Shao Hon	20.12.2004	56,000	28,000	-	-	84,000
	01.07.2005	462,000	231,000	-	-	693,000
Foo Sooi Chin	20.12.2004	53,000	26,500	-	(79,500)	-
	01.07.2005	438,000	219,000	-	(657,000)	-
Ng Kim Huat	20.12.2004	50,000	25,000	-	-	75,000
	01.07.2005	416,000	208,000	-	-	624,000
Wong Guan Boon	20.12.2004	46,000	23,000	-	-	69,000
	01.07.2005	380,000	190,000	-	-	570,000
Shoo Ai Ling	20.12.2004	42,000	21,000	-	-	63,000
	01.07.2005	348,000	174,000	-	-	522,000
Aaron Sim Kwee Lein	05.12.2007	-	250,000	-	-	250,000
Lee Lai Fun	05.12.2007	-	160,000	-	-	160,000

DIRECTORS

The directors who served since the date of the last report are:

Wang Kuen-Chung @ Jeff Wang
 Sun Chin-Chuan @ Sharon Sun
 Ng Kim Huat
 Aaron Sim Kwee Lein

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for options granted to certain directors pursuant to the Company's ESOS as disclosed below.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

Directors' Report

	← Balance as of 01.01.2007	Number of ordinary shares of RM0.10 each Bought	Sold	→ Balance as of 31.12.2007
Shares in the Company				
Registered in the name of directors				
Wang Kuen-Chung @ Jeff Wang	4,774,000	2,387,000	-	7,161,000
Sun Chin-Chuan @ Sharon Sun	4,750,000	2,375,000	-	7,125,000
Ng Kim Huat	150,000	75,000	-	225,000
Deemed Interest				
Wang Kuen-Chung @ Jeff Wang	43,750,000	17,875,000	(8,000,000)	53,625,000
Sun Chin-Chuan @ Sharon Sun	43,774,000	17,887,000	(8,000,000)	53,661,000

In addition to the above, the directors are also deemed to have an interest in the shares of the Company to the extent of options granted to them pursuant to the ESOS as follows:-

	← Balance as of 01.01.2007	Number of options over ordinary shares of RM0.10 each Bonus issue/ Granted	Exercised/ Lapsed	→ Balance as of 31.12.2007
Shares options in the Company				
Registered in the name of directors				
Wang Kuen-Chung @ Jeff Wang	2,190,000	1,095,000	-	3,285,000
Sun Chin-Chuan @ Sharon Sun	2,190,000	1,095,000	-	3,285,000
Ng Kim Huat	466,000	233,000	-	699,000
Aaron Sim Kwee Lein	-	250,000	-	250,000

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- a) Before the income statement and balance sheet of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no known bad debts need to be written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the financial statements of the Company have been written down to an amount which they might be expected to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributable to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Directors' Report

(c) At the date of this report, there does not exist:

- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(d) No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

OTHER STATUTORY INFORMATION

(a) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

(b) In the opinion of the directors,

- (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

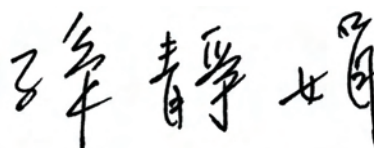
AUDITORS

The auditors, Messrs Tan Chin Huat & Co., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,



WANG KUEN-CHUNG @ JEFF WANG
Director



SUN CHIN-CHUAN @ SHARON SUN
Director

Petaling Jaya
Date : 03 March 2008

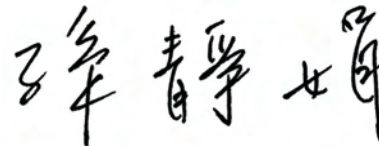
Statement By Directors

We, Wang Kuen-Chung @ Jeff Wang and Sun Chin-Chuan @ Sharon Sun, being two of the directors of EXCEL FORCE MSC BERHAD, do hereby state that, in the opinion of the directors, the accompanying balance sheet and statements of income, cash flows and changes in equity, together with the notes thereto, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Company as of 31st December 2007 and of the results and cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,



WANG KUEN-CHUNG @ JEFF WANG
Director



SUN CHIN-CHUAN @ SHARON SUN
Director

Petaling Jaya
Date : 03 March 2008

STATUTORY DECLARATION

I, Gan Fei Chen, being the Officer primarily responsible for the financial management of EXCEL FORCE MSC BERHAD, do solemnly and sincerely declare that the accompanying balance sheet and statements of income, cash flows and changes in equity, together with the notes thereto, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.



GAN FEI CHEN

Subscribed and solemnly declared by the
abovenamed GAN FEI CHEN
at Petaling Jaya, on 03 March 2008

Before me,



No. 76A (Tkt Sana)
Jalan SS 2/60
47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Report Of The Auditors TO THE MEMBERS OF EXCEL FORCE MSC BERHAD (Incorporated in Malaysia)

We have audited the accompanying balance sheet as of 31st December 2007 and the related statements of income, cash flows and changes in equity, together with the notes thereto, for the year then ended.

These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company; and
 - (ii) the state of affairs of the Company as of 31st December 2007 and of the results and cash flows of the Company for the year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



TAN CHIN HUAT & CO.
Firm No. AF 1395
Chartered Accountants

Petaling Jaya
Date : 03 March 2008



TAN CHIN HUAT
Approval No. 2037/06/08(J)
Proprietor

Income Statement

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 RM	2006 RM
Revenue		11,883,446	5,471,148
Other operating income		290,143	228,028
Changes in inventories		(310,431)	67,124
Purchases and other direct costs		(1,742,108)	(1,077,633)
Staff costs		(870,025)	(713,133)
Directors' remuneration	6	(459,520)	(453,400)
Depreciation of property, plant and equipment	9	(517,652)	(514,358)
Amortisation of prepaid lease payments	10	(2,383)	-
Amortisation of development costs	11	(749,808)	(307,328)
Amortisation of intangible assets	12	(101,000)	(101,000)
Other operating expenses		(1,428,977)	(629,084)
Profit from operations		<u>5,991,685</u>	<u>1,970,454</u>
Profit from operations is stated after charging:-			
Allowance for doubtful debts		233,165	-
Amortisation of development costs		749,808	307,238
Amortisation of intangible assets		101,000	101,000
Amortisation of prepaid lease payments		2,383	-
Auditor's remuneration:			
- statutory audit		8,500	7,000
- other services		5,000	-
Depreciation of property, plant and equipment		517,652	514,358
Development costs written off		9,445	-
Directors' remuneration			
- fees		148,000	79,600
- other emoluments		311,520	373,800
Loss on foreign exchange		77,626	661
Rental of premises		<u>59,205</u>	<u>57,500</u>
And crediting :-			
Interest income from fixed deposits		210,519	193,430
Gain on disposal of property, plant and equipment		<u>75,593</u>	<u>32,000</u>
Finance costs - Interest on hire purchase		-	(2,571)
Profit before tax		<u>5,991,685</u>	<u>1,967,883</u>
Income tax expense	7	(145,898)	(72,139)
Net profit for the financial year		<u><u>5,845,787</u></u>	<u><u>1,895,744</u></u>
Earnings per ordinary share			
Basic	8	RM0.05	RM0.02
Diluted	8	<u>RM0.05</u>	<u>RM0.02</u>

The above income statement is to be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet

AS OF 31ST DECEMBER 2007

	Note	2007 RM	2006 RM
Property, plant and equipment	9	3,465,051	1,931,250
Prepaid lease payments	10	304,419	-
Development costs	11	3,790,638	3,096,816
Intangible assets	12	555,500	656,500
CURRENT ASSETS			
Inventories	13	9,523	319,954
Trade receivables	14	2,573,862	2,442,799
Other receivables and prepaid expenses	14	590,570	396,217
Marketable securities	15	-	1,000,000
Deposits with financial institutions	16	8,227,523	5,713,493
Cash and bank balances		2,016,322	399,471
		<u>13,417,800</u>	<u>10,271,934</u>
Less:			
CURRENT LIABILITIES			
Other payables and accrued expenses	17	657,504	1,244,844
Tax liabilities		4,460	-
		<u>661,964</u>	<u>1,244,844</u>
NET CURRENT ASSETS		12,755,836	9,027,090
		<u>20,871,444</u>	<u>14,711,656</u>
Financed by:			
Issued capital	18	12,097,500	8,000,000
Reserves	19	8,773,944	6,711,656
SHAREHOLDERS' EQUITY		<u>20,871,444</u>	<u>14,711,656</u>

The above balance sheet is to be read in conjunction with the accompanying notes to the financial statements.

Statement Of Changes In Equity

FOR THE YEAR ENDED 31ST DECEMBER 2007

Note	Issued capital RM	Distributable reserve-		Non distributable		Total RM
		Unappropriated profit RM	Share premium RM	Share option reserve RM		
Balance as of 1st January 2006	8,000,000	1,511,767	4,904,145	-		14,415,912
Net profit for the financial year	-	1,895,744	-	-		1,895,744
Dividends	-	(1,600,000)	-	-		(1,600,000)
Balance as of 31st December 2006	8,000,000	1,807,511	4,904,145	-		14,711,656
Issuance of shares during the year:						
- Bonus issue	4,000,000	-	(4,000,000)	-		-
- ESOS	97,500	-	134,580	-		232,080
Net profit for the financial year	-	5,845,787	-	-		5,845,787
Share options granted under ESOS	-	-	-	81,921		81,921
Balance as of 31st December 2007	12,097,500	7,653,298	1,038,725	81,921		2,0871,444

The above statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,991,685	1,967,883
Adjustments for:		
Allowance for doubtful debts	233,165	-
Amortisation of development costs	749,808	307,238
Amortisation of intangible assets	101,000	101,000
Amortisation of prepaid lease payments	2,383	-
Depreciation of property, plant and equipment	517,652	514,358
Development costs written off	9,445	-
Share options expense	81,921	-
Finance cost	-	2,571
Gain on disposal of property, plant and equipment	(75,593)	(32,000)
Interest income	(210,519)	(193,430)
Operating profit before working capital changes	<u>7,400,947</u>	<u>2,667,620</u>
Changes in working capital:		
(Increase)/Decrease in inventories	310,431	(67,124)
Increase in trade receivables	(364,228)	(627,917)
Increase in other receivables and prepaid expenses	(201,227)	(229,676)
(Increase)/Decrease in marketable securities	1,000,000	(1,000,000)
Increase in other payables and accrued expenses	212,660	5,850
Cash Generated From Operations	<u>8,358,583</u>	<u>748,753</u>
Tax paid	(134,564)	(87,221)
Finance cost paid	-	(2,571)
Interest received	210,519	193,430
Development costs incurred	<u>(1,453,075)</u>	<u>(1,306,083)</u>
Net Cash From/(Used In) Operating Activities	<u>6,981,463</u>	<u>(453,692)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,084,860)	(451,857)
Additions in prepaid lease payments	(306,802)	-
Proceeds from disposal of property, plant and equipment	109,000	62,000
Net Cash Used In Investing Activities	<u>(2,282,662)</u>	<u>(389,857)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	232,080	-
Repayment of hire purchase obligations	-	(55,330)
Dividends paid	(800,000)	(800,000)
Net Cash Used In Financing Activities	<u>(567,920)</u>	<u>(855,330)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,130,881	(1,698,879)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	6,112,964	7,811,843
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>10,243,845</u>	<u>6,112,964</u>
Cash and cash equivalents carried forward consist of:		
Deposits with financial institutions (Note 16)	8,227,523	5,713,493
Cash and bank balances	2,016,322	399,471
	<u>10,243,845</u>	<u>6,112,964</u>

The above cash flow statement is to be read in conjunction with the accompanying notes to the financial statements.

Notes To The Financial Statements

1) GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are in the development, provision and maintenance of computer software application solutions for the financial services industry. There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Company is located at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Pusat Dagangan Phileo Damansara II, 611 Block B, No. 15, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia (RM).

The financial statements of the Company have been authorised by the Board of Directors for issuance on 3rd March 2008.

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

At the beginning of the current financial year, the Company adopted new/revised Financial Reporting Standards (FRSs) which are mandatory for financial periods beginning on or after 1st October 2006:

FRS 117 leases
FRS 124 Related Party Disclosures

The adoption of the above FRSs did not have any significant impact on the financial statements of the Company.

The Company has not early adopt the deferred FRS 139 Financial Instruments - Recognition and Measurement.

The preparation of financial statements in conformity with the Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported results during the reported period. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the director's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 to the Financial Statements.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Company are subject to a variety of financial risks, including foreign currency exchange risk, market risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

Foreign currency exchange risk

The Company's foreign currency exposure arise mainly from trade transactions in foreign currencies. Management believes that the Company's foreign currency risk is minimal and accordingly, no hedging is performed.

Notes To The Financial Statements

Market risk

The Company has in place policies to manage its competitive risks from its competitors in providing better services. The Company regularly takes part in various roadshows and advertisement to promote its products.

Interest rate risk

The Company enters into various interest rate risk management transactions for the purpose of reducing net interest costs and to achieve interest rates within predictable, desired ranges.

Credit risk

The Company is exposed to credit risk mainly from trade receivables. The Company extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history.

Liquidity risk

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

Cash flow risk

The Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair values

The fair values of the financial assets and financial liabilities reported in the balance sheet as of 31st December 2007 approximate the carrying amounts of these assets and liabilities because of the immediate or short-term maturity of these financial instruments.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention.

b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from goods sold is recognised upon delivery of goods and when the risks and rewards of ownership have passed. Other operating income mainly consist of interest income and is recognised on accrual basis.

Revenue represents the invoiced value of goods sold and services rendered net of discounts and returns.

c) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Notes To The Financial Statements

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

At each balance sheet date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 4(k) on impairment of assets.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is calculated to write off the cost of the property, plant and equipment on a straight-line basis over the expected useful lives of the property, plant and equipment concerned. The annual depreciation rates used are :-

	%
Freehold building	2
Motor vehicles	20
Furniture and fittings	10
Office equipment	15
Renovation	20
Computer	20

Capital work-in-progress will only be depreciated when the assets are ready for their intended use.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in the income statement.

e) Leases and Prepaid Land Lease Payment

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

Notes To The Financial Statements

f) Research and Development Costs

Research costs are recognised as an expense in the year in which they are incurred.

Development costs are expensed off to the income statement in the year in which it is incurred. In the case of clearly-defined projects undertaken where it is reasonably anticipated that development costs can and will be recovered through future commercial activities, such development costs are recognised as an intangible asset and amortised on a straight-line basis over the expected life of the respective project from the date of commencement of commercial operations. The average expected life of the development projects is five (5) years.

g) Intangible Assets

Intangible assets which represent trade marks and copyrights are stated at cost less accumulated amortisation and impairment losses. Trade marks and copyrights are amortised over a period of ten (10) years.

h) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow moving inventories. Cost is determined on the first-in, first-out method. Cost consists of purchases and other direct costs in bringing the inventories to its present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

i) Receivables

Trade and other receivables are stated at nominal values as reduced by the appropriate allowance for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

j) Marketable Securities

Marketable securities are carried at the lower of cost and market value. Market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

k) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

l) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Notes To The Financial Statements

(ii) Defined contributions plans

As required by law, companies in Malaysia make contributions to the state pension scheme, Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(iii) Share-based compensation

The Company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on the vesting date. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

m) Provisions

Provisions are recognised when the Company has a present legal and constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

n) Foreign Currency Conversion

Transactions in foreign currencies are recorded in Ringgit Malaysia at the rates of exchange which approximate rates ruling at the dates of the transactions. Assets and liabilities in foreign currencies at the balance sheet date are reported in Ringgit Malaysia at rates ruling at that date. Exchange differences are dealt with through the income statement.

The principal closing rates used in the translation of foreign currency amounts are as follows:

	2007 RM	2006 RM
1 US Dollar	3.30	3.80
1 Singapore Dollar	2.30	2.26

o) Cash Flow Statement

The Company adopts the indirect method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

p) Segment Reporting

Segment reporting is presented for enhanced assessment of the Company's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

Notes To The Financial Statements

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year (apart from those involving estimations which are dealt with below).

(i) Impairment of intangible assets

The Company determines whether intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which intangible assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Allowance for bad and doubtful debts

The policy of allowance for bad and doubtful debts of the Company is based on the evaluation of the ability to collect and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowance for bad and doubtful debts may be required.

(iii) Property, plant and equipment and depreciation

The Company determines the estimated useful lives and related depreciation charges for the Company's property, plant and equipment. The estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and function. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non strategic assets that have been abandoned or sold.

6) DIRECTORS' REMUNERATION

	2007 RM	2006 RM
Executive directors:		
Other emoluments	311,520	373,800
Fees	100,000	55,000
Non-executive directors:		
Fees	<u>48,000</u>	<u>24,600</u>
	<u>459,520</u>	<u>453,400</u>

7) INCOME TAX EXPENSE

	2007 RM	2006 RM
Taxation based on fixed deposit interest received	32,712	51,932
- current year	13,554	-
- underprovision in prior year	46,266	51,932
	<u>99,632</u>	<u>20,207</u>
Foreign tax	<u>145,898</u>	<u>72,139</u>

Notes To The Financial Statements

A reconciliation of the statutory income tax rate to the effective tax rate of the Company has not been presented as there is no tax charge on the business source of income for the year other than foreign tax paid in other jurisdictions, of which the tax is calculated at the rate prevailing in that jurisdiction.

The Company has been awarded Multimedia Super Corridor status by the Government of Malaysia. Accordingly, there is no tax charge on the business income of the Company in 2007 and 2006 as the Company has been granted pioneer status under the Promotion of Investments (Amendment) Act, 1997.

8) EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share for the Company has been calculated based on the Company's profit after tax of RM5,845,787 (2006: RM1,895,744) and on the weighted average number of ordinary shares of RM0.10 each in issue during the financial year of 120,037,397 (2006: 120,000,000).

	2007	2006
Weighted average number of ordinary shares in issue	120,037,397	80,000,000
Adjustment for:		
Bonus issue	<u>-</u>	<u>40,000,000</u>
Adjusted weighted average number of ordinary shares in issue	<u><u>120,037,397</u></u>	<u><u>120,000,000</u></u>

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effect of potential ordinary shares i.e. share options granted to directors/employees.

	2007 RM	2006 RM
Net profit for the year	<u><u>5,845,787</u></u>	<u><u>1,895,744</u></u>
	2007	2006
Weighted average number of ordinary shares in issue	120,037,397	120,000,000
Effect of dilution:		
Share options	<u>6,653,643</u>	<u>776,711</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u><u>126,691,040</u></u>	<u><u>120,776,711</u></u>
	2007 RM	2006 RM
Diluted earnings per share	<u><u>0.05</u></u>	<u><u>0.02</u></u>

Notes To The Financial Statements

9) PROPERTY, PLANT AND EQUIPMENT

	Freehold building RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Capital work-in-progress RM	Computers RM	Total RM
Cost								
As of 1st January 2007	490,770	926,740	80,564	146,733	111,175	-	1,411,829	3,167,811
Additions	-	189,285	220	-	-	1,738,548	156,807	2,084,860
Disposals	-	(231,735)	-	-	-	-	-	(231,735)
As of 31st December 2007	490,770	884,290	80,784	146,733	111,175	1,738,548	1,568,636	5,020,936
Accumulated depreciation								
As of 1st January 2007	28,628	424,299	22,668	65,278	94,786	-	600,902	1,236,561
Charge for the year	9,816	180,745	8,069	22,010	11,515	-	285,497	517,652
Disposals	-	(198,328)	-	-	-	-	-	(198,328)
As of 31st December 2007	38,444	406,716	30,737	87,288	106,301	-	886,399	1,555,885
Net book value as of 31st December 2007	452,326	477,574	50,047	59,445	4,874	1,738,548	682,237	3,465,051

9) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold building RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Computers RM	Total RM
Cost							
As of 1st January 2006	490,770	1,034,657	76,144	134,372	111,175	1,018,836	2,865,954
Additions	-	42,083	4,420	12,361	-	392,993	451,857
Disposals	-	(150,000)	-	-	-	-	(150,000)
As of 31st December 2006	<u>490,770</u>	<u>926,740</u>	<u>80,564</u>	<u>146,733</u>	<u>111,175</u>	<u>1,411,829</u>	<u>3,167,811</u>
Accumulated depreciation							
As of 1st January 2006	18,813	338,697	14,612	44,233	72,551	353,297	842,203
Charge for the year	9,815	205,602	8,056	21,045	22,235	247,605	514,358
Disposals	-	(120,000)	-	-	-	-	(120,000)
As of 31st December 2006	<u>28,628</u>	<u>424,299</u>	<u>22,668</u>	<u>65,278</u>	<u>94,786</u>	<u>600,902</u>	<u>1,236,561</u>
Net book value as of 31st December 2006	<u>462,142</u>	<u>502,441</u>	<u>57,896</u>	<u>81,455</u>	<u>16,389</u>	<u>810,927</u>	<u>1,931,250</u>

Included in property, plant and equipment of the Company as of 31st December 2007 are fully depreciated assets which are still in use, with a cost of RM164,640 (2006: RMNil).

Notes To The Financial Statements

10) PREPAID LEASE PAYMENTS

	2007 RM	2006 RM
Balance as of beginning of year	-	-
Additions during the year	306,802	-
	306,802	-
Less:		
Accumulated amortisation:		
Balance as of beginning of year	-	-
Charge for the year	2,383	-
	2,383	-
Net carrying amount	<u>304,419</u>	<u>-</u>

11) DEVELOPMENT COSTS

	2007 RM	2006 RM
Balance as of beginning of year	3,702,965	2,396,882
Additions during the year	1,453,075	1,306,083
Written off during the year	(9,445)	-
	5,146,595	3,702,965
Less:		
Accumulated amortisation:-		
Balance as of beginning of year	(606,149)	(298,911)
Charge for the year	(749,808)	(307,238)
	(1,355,957)	(606,149)
Balance as of end of year	<u>3,790,638</u>	<u>3,096,816</u>

12) INTANGIBLE ASSETS

	2007 RM	2006 RM
At cost		
Balance as of beginning and end of year	1,010,000	1,010,000
Less:		
Accumulated amortisation:-		
Balance as of beginning of year	(353,500)	(252,500)
Charge for the year	(101,000)	(101,000)
	(454,500)	(353,500)
Balance as of end of year	<u>555,500</u>	<u>656,500</u>

13) INVENTORIES

	2007 RM	2006 RM
System installation in progress - At cost	<u>9,523</u>	<u>319,954</u>

Notes To The Financial Statements

14) TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	2007 RM	2006 RM
Trade receivables	2,807,027	2,442,799
Less: Allowance for doubtful debts	(233,165)	-
Net	<u>2,573,862</u>	<u>2,442,799</u>

Trade receivables comprise amounts receivable for the sale of goods and services rendered. The credit period granted on sale of goods and services rendered ranges from 60 to 90 days.

Other receivables and prepaid expenses consist of:-

	2007 RM	2006 RM
Other receivables	128,306	178,902
Refundable deposits	400,947	48,285
Deferred expenditure	-	49,634
Prepaid expenses	61,317	112,522
Tax recoverable	-	6,874
	<u>590,570</u>	<u>396,217</u>

15) MARKETABLE SECURITIES

	2007 RM	2006 RM
Shares quoted in Malaysia - At cost	-	1,000,000
Market value of shares quoted in Malaysia	-	1,007,468

16) DEPOSITS WITH FINANCIAL INSTITUTIONS

	2007 RM	2006 RM
Deposits with	4,564,728	4,705,534
Other financial institution	3,662,795	1,007,959
Licensed banks	<u>8,227,523</u>	<u>5,713,493</u>

Deposits of the Company earn return at range of 2.55% - 3.10% (2006: 3.00% - 3.10%) per annum.

17) OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses consist of :-

	2007 RM	2006 RM
Other payables	71,700	10,857
Accrued expenses	353,853	1,088,726
Advanced billings	231,951	145,261
	<u>657,504</u>	<u>1,244,844</u>

Notes To The Financial Statements

18) SHARE CAPITAL

			2007 RM	2006 RM
Authorised:				
250,000,000 ordinary shares of RM0.10 each			<u>25,000,000</u>	<u>25,000,000</u>
	No. of ordinary shares of RM0.10 each		2007 RM	2006 RM
	2007	2006		
Issued and fully paid:				
As of beginning of year	80,000,000	80,000,000	8,000,000	8,000,000
Issued during the financial year	<u>40,975,000</u>	-	<u>4,097,500</u>	-
As of end of year	<u>120,975,000</u>	<u>80,000,000</u>	<u>12,097,500</u>	<u>8,000,000</u>

Pursuant to the authority given by the shareholders of the Company at the Extraordinary General Meeting held on 7th September 2007, the issued and paid-up share capital of the Company was increased from RM8,000,000 to RM12,000,000 by way of bonus issue of 40,000,000 new ordinary shares of RM0.10 each credited as fully paid-up to the shareholders of the Company on the basis of one new ordinary share for every two existing ordinary shares held through the capitalisation of RM4,000,000 from the share premium account of the Company.

Pursuant to the approval from the relevant authority and authority given to the directors of the Company via the Extraordinary General Meeting held on 17th November 2004, the issued and paid-up share capital of the Company was further increased from RM12,000,000 to RM12,097,500 through the issuance of 975,000 new ordinary shares of RM0.10 each for cash pursuant to the Company's Employees' Share Option Scheme (ESOS) at an average exercise price of RM0.24 per ordinary share. The resultant share premium arising from the shares issued during the year of RM134,580 has been credited to the share premium account.

The shareholders of the Company, via a Members' Circular Resolution dated 17th November 2004, approved the Excel Force MSC Berhad Employees' Share Option Scheme for the benefit of eligible directors and eligible employees of the Company.

The salient features of the ESOS are as follows:

- a) the total number of new shares which may be made 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 point of time during the existence of the ESOS;
- b) eligible persons are employees and directors that have attained the age of eighteen (18) years on the date of offer and either
 - (i) are classified as "employees" based on the terms of employment letter issued by the Company; or
 - (ii) in the case of directors, the name appears in the Register of Directors on or before the date of offer;
- c) not more than fifty per cent (50%) of the shares under the ESOS will be granted to the directors and senior management. In addition, the allocation to an eligible employee/director who, either singly or collectively through persons connected with the eligible employee/director, holds twenty per cent (20%) or more of the issued and paid-up share capital of the Company must not exceed ten percent (10%) of the total number of shares available under the scheme;
- d) the option price shall be determined by the weighted average market price of the shares of the Company for the five (5) market days preceding the date of offer and may be at a discount of not more than ten per cent (10%) or at par value of the shares of the Company, whichever is higher; and
- e) the duration of the scheme shall be five (5) years from the commencement of the scheme.

Notes To The Financial Statements

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this Report the names of employees who have been granted options in aggregate of less than 160,000 options during the financial year.

The share options granted and exercised during the financial year are as follows:

Option price RM	Date of offer	← Number of options over ordinary shares of RM0.10 each →				
		As of 01.01.2007	Granted	Exercised	Lapsed	As of 31.12.2007
0.29	20.12.2004	1,190,000	595,000	(130,500)	(123,000)	1,531,500
0.23	01.07.2005	10,242,000	5,121,000	(844,500)	(1,392,000)	13,126,500
0.36	05.12.2007	-	1,690,000	-	-	1,690,000

The names of option holders granted options to subscribe for 160,000 or more ordinary shares of RM1 each during the financial year are as follows:

Name	Date of offer	← Number of options over ordinary shares of RM0.10 each →				
		As of 01.01.2007	Bonus issue/ Granted	Exercised	Lapsed	As of 31.12.2007
Wang Kuen-Chung @ Jeff Wang	20.12.2004	240,000	120,000	-	-	360,000
	01.07.2005	1,950,000	975,000	-	-	2,925,000
Sun Chin-Chuan @ Sharon Sun	20.12.2004	240,000	120,000	-	-	360,000
	01.07.2005	1,950,000	975,000	-	-	2,925,000
Chua Kok Chuan	20.12.2004	90,000	45,000	-	-	135,000
	01.07.2005	736,000	368,000	-	-	1,104,000
Gan Teck Ban	20.12.2004	68,000	34,000	-	-	102,000
	01.07.2005	558,000	279,000	-	-	837,000
Wong Chee Long	20.12.2004	58,000	29,000	-	-	87,000
	01.07.2005	476,000	238,000	-	-	714,000
Chua Hui Cheng	20.12.2004	56,000	28,000	(84,000)	-	-
	01.07.2005	462,000	231,000	(693,000)	-	-
Eng Shao Hon	20.12.2004	56,000	28,000	-	-	84,000
	01.07.2005	462,000	231,000	-	-	693,000
Foo Sooi Chin	20.12.2004	53,000	26,500	-	(79,500)	-
	01.07.2005	438,000	219,000	-	(657,000)	-
Ng Kim Huat	20.12.2004	50,000	25,000	-	-	75,000
	01.07.2005	416,000	208,000	-	-	624,000
Wong Guan Boon	20.12.2004	46,000	23,000	-	-	69,000
	01.07.2005	380,000	190,000	-	-	570,000
Shoo Ai Ling	20.12.2004	42,000	21,000	-	-	63,000
	01.07.2005	348,000	174,000	-	-	522,000
Aaron Sim Kwee Lein	05.12.2007	-	250,000	-	-	250,000
Lee Lai Fun	05.12.2007	-	160,000	-	-	160,000

Notes To The Financial Statements

Fair value of the share options

The fair value of the options granted was estimated by an external valuer using Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2007
Fair value of share options granted on 4.12.2007 (RM)	0.05
Weighted average share price (RM)	0.41
Weighted average exercise price (RM)	0.36
Expected volatility (%)	10
Expected life (years)	2
Risk free rate (%)	3.55
Expected dividend yield rate (%)	3.47

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

19) RESERVES

	2007 RM	2006 RM
Non Distributable Reserve:		
Share premium	1,038,725	4,904,145
Share option	81,921	-
Distributable Reserve:		
Unappropriated profit	<u>7,653,298</u>	<u>1,807,511</u>
	<u>8,773,944</u>	<u>6,711,656</u>

Share premium

	2007 RM	2006 RM
Issuance of 17,600,000 new ordinary shares of RM0.10 each at a premium of RM0.33 per share	5,808,000	5,808,000
Issuance of 975,000 new ordinary shares of RM0.10 each pursuant to the Company's ESOS at a premium of approximately RM0.14 per share	134,580	-
Capitalised for bonus issue	(4,000,000)	-
Share issue expenses	(903,855)	(903,855)
Balance at end of year	<u>1,038,725</u>	<u>4904,145</u>

Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

Notes To The Financial Statements

20) DIVIDENDS

	2007 RM	2006 RM
Interim dividend - 1.0 sen per ordinary share, tax exempt, for 2006	-	800,000
Interim dividend - 1.0 sen per ordinary share, tax exempt, for 2005	-	800,000
	<u>-</u>	<u>1,600,000</u>

An interim dividend of 1.0 sen per ordinary share, tax exempt, amounting to RM800,000 proposed in respect of ordinary shares in 2006 was paid by the Company in 2007.

21) BANKING FACILITIES

As of 31st December 2007, the Company has term loan facility totalling RM1,722,400 obtained from a licensed bank. The facility bears interest at 4.25% - 7.00% per annum and is secured by a legal charge over the Company's long leasehold land.

22) RELATED PARTY DISCLOSURES

Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year are as follows:

	2007 RM	2006 RM
Short-term employee benefits	633,272	595,669
EPF expenses	60,641	57,536
Share-based payment	12,118	-
Total	<u>706,031</u>	<u>653,205</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The key management personnel of the Company includes the directors, Chief Executive Officer and Heads of Finance and Information Technology of the Company.

Included in the total key management personnel are:

	2007 RM	2006 RM
Directors' remuneration (Note 6)	<u>459,520</u>	<u>453,400</u>

Executive directors of the Company and other members of key management have been granted the following number of options under the ESOS:

	2007 RM	2006 RM
As of 1st January	6,190,000	6,190,000
Granted/Bonus issue	3,345,000	-
Exercised	(777,000)	-
As of 31st December	<u>8,758,000</u>	<u>6,190,000</u>

The share options were granted on the same terms and conditions as those offered to other employees of the Company (Note 18).

Notes To The Financial Statements

23) SEGMENTAL INFORMATION

Primary reporting - Business segments

	Application Solutions Division		Maintenance Services Division		Application Services Providers Division		Total	
	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
REVENUE								
External sales	3,041,411	1,523,748	733,381	979,442	8,108,654	2,967,958	11,883,446	5,471,148
RESULTS								
Segment results	1,143,929	268,298	446,751	398,730	4,188,488	1,073,488	5,779,168	1,740,516
Gain on disposal of property, plant and equipment							75,593	32,000
Loss on foreign exchange							(77,626)	(661)
Other income							4,031	2,598
Interest income							210,519	193,430
Profit before tax							5,991,685	1,967,883
Income tax expense							(145,898)	(72,139)
Profit after tax							5,845,787	1,895,744

OTHER INFORMATION

Segment assets	5,511,191	4,659,866	1,328,924	2,821,743	14,693,293	8,474,891	21,533,408	15,956,500
Segment liabilities	168,280	346,696	40,578	222,851	448,646	675,297	657,504	1,244,844
Tax liabilities	1,141	-	275	-	3,044	-	4,460	-
Total liabilities	169,421	346,696	40,853	222,851	451,690	675,297	661,964	1,244,844
Capital expenditure	984,010	489,597	237,276	314,705	2,623,451	953,638	3,844,737	1,757,940
Depreciation	132,486	143,252	31,947	92,080	353,219	279,026	517,652	514,358
Non-cash expenses other than depreciation:								
Amortisation of development costs	191,903	85,567	46,275	55,002	511,630	166,669	749,808	307,238
Amortisation of intangible assets	25,850	28,129	6,233	18,081	68,917	54,790	101,000	101,000
Amortisation of prepaid lease payments	610	-	147	-	1,626	-	2,383	-

The Company's operations are entirely located in Malaysia. The following is an analysis of the Company's sales by geographical market:-

Malaysia	10,624,324	5,471,148
Vietnam	1,244,722	-
Thailand	14,400	-
	11,883,446	5,471,148

Notes To The Financial Statements

23) CAPITAL COMMITMENTS

	2007 RM	2006 RM
Capital expenditure Approved and contracted for: Leasehold land and buildings	<u>67,650</u>	<u>2,113,000</u>

24) SUBSEQUENT EVENT

Subsequent to year end, the Company entered into a Shareholders' Agreement to subscribe 120,000 ordinary shares of RM1 each, representing 60% equity interest in Insage (MSC) Sdn. Bhd. (formerly known as Machigan Capital Sdn. Bhd.), a company incorporated in Malaysia, for a cash consideration of RM120,000. Consequently, Insage (MSC) Sdn. Bhd. became a subsidiary of the Company.

List of Landed Property as at 31 December 2007

Location	Approximate Built-up Area	Description	Current use	Tenure	Date of Acquisition	Net book value as at 31.12.07 (At cost)	Age of building (years)
Pusat Dagangan Phileo Damansara II, 611, Block B, No 15, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan	2,583 sq ft	Office unit	Business	Freehold	9 February 2004	RM452,326	8

Analysis of Shareholdings as at 30 April 2008

Authorised Capital
Issued and Fully Paid Up Capital
Class of Shares
Voting Rights

RM25,000,000
RM12,111,850
Ordinary Share of RM0.10 each fully paid
One Vote per RM0.10 share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No of Holders		Total Shareholdings		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 shares	5	-	275	-	#	#
100 - 1,000 shares	26	-	16,500	-	0.01	#
1,001 - 10,000 shares	267	2	1,450,625	20,000	1.20	0.02
10,001 - 100,000 shares	283	8	10,311,950	375,500	8.51	0.31
100,001 - 6,055,924 shares*	86	9	38,225,900	24,217,750	31.56	20.00
6,055,925 and above**	-	1	-	46,500,000	-	38.39
Total	667	20	50,005,250	71,113,250	41.29	58.71

Notes:-

Negligible

* Less than 5% of Issued Holdings

** 5% and above of Issued Holdings

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2008

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Exacta Co., Ltd	46,500,000	38.39	-	-
Wang Kuen-Chung @ Jeff Wang	7,161,000	5.91	53,625,000*	44.27
Sun Chin-Chuan @ Sharon Sun	7,125,000	5.88	53,661,000^	44.30

Notes:

* Deemed interest by virtue of his shareholding in Exacta Co., Ltd and the shareholding of Sun Chin-Chuan @ Sharon Sun, his spouse, pursuant to Section 6A of the Companies Act, 1965.

^ Deemed interest by virtue of the shareholding of Wang Kuen-Chung @ Jeff Wang, her spouse, and his shareholding in Exacta Co., Ltd pursuant to Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2008

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Wang Kuen-Chung @ Jeff Wang	7,161,000	5.91	53,625,000*	44.27
Sun Chin-Chuan @ Sharon Sun	7,125,000	5.88	53,661,000^	44.30
Ng Kim Huat	225,000	0.19	-	-
Aaron Sim Kwee Lein	-	-	-	-

Notes:

* Deemed interest by virtue of his shareholding in Exacta Co., Ltd and the shareholding of Sun Chin-Chuan @ Sharon Sun, his spouse, pursuant to Section 6A of the Companies Act, 1965.

^ Deemed interest by virtue of the shareholding of Wang Kuen-Chung @ Jeff Wang, her spouse, and his shareholding in Exacta Co., Ltd pursuant to Section 6A of the Companies Act, 1965

Thirty (30) Largest Shareholders as at 30 April 2008

(Without aggregating securities from different securities accounts belonging to the same person)

NO	NAME	NO. OF SHARES	%
1	EXACTA CO., LTD	46,500,000	38.39
2	WANG KUEN-CHUNG @ JEFF WANG	6,000,000	4.95
3	SUN CHIN-CHUAN @ SHARON SUN	6,000,000	4.95
4	HLG NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WANG, CHI-CHAO (CCTS)	4,598,800	3.80
5	HLG NOMINEE (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HUNG, CHUNG-CHE (CCTS)	3,765,200	3.11
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE YOKE FONG	2,431,500	2.01
7	LEE YOKE FONG	2,234,500	1.84
8	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PUBLIC SMALLCAP FUND	2,167,000	1.79
9	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PB ISLAMIC EQUITY FUND	2,000,650	1.65
10	TAN BEH @ HUAN BEK	1,935,000	1.60
11	MOHD RADZUAN BIN AB HALIM	1,379,850	1.14
12	ECML NOMINEES (ASING) SDN. BHD. WANG KUEN-CHUNG @ JEFF WANG (PCS)	1,161,000	0.96
13	ECML NOMINEES (ASING) SDN. BHD. SUN CHIN-CHUAN @ SHARON SUN (PCS)	1,125,000	0.93
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG KAI FATT (CEB)	1,050,000	0.87
15	CHAN PING PING	1,012,800	0.84
16	KOH THUAN TECK	1,000,000	0.83
17	LOO LEONG FATT	990,000	0.82
18	HLG NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BENG WATT (CCTS)	973,900	0.80
19	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	937,200	0.77
20	WENDY LEE YOKE PENG	904,000	0.75
21	HOW TECK SANG	830,000	0.69
22	CHUA HUI CHENG	824,500	0.68
23	LIM HOE	712,650	0.59
24	KEK CHIN WU	710,400	0.59
25	LEE SEW KIM	696,000	0.57
26	CHIA KEE SIONG	645,000	0.53
27	TAN YIK BOR	638,850	0.53
28	WONG II LE	600,000	0.50
29	TE TIAM SING @ TAY KIAM SENG	600,000	0.50
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAN FOOK FONG (E-PPG)	589,500	0.49
	Total	95,013,300	78.45

Proxy Form

(Before completing this form please refer to the notes below)

ExcelFORCE MSC Berhad

(Company No. 570777 X)
Incorporated in Malaysia

I/WE _____ NRIC No./Passport No./Company No. _____
(Full name in block letters)
CDS. A/C No. _____ of _____
(Full address)

being a member/members of EXCEL FORCE MSC BERHAD hereby appoint the following person(s) or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Sixth Annual General Meeting of the Company to be held at Perdana Room, Equestrian Club, Bukit Kiara Resort, Jalan Bukit Kiara, Off Jalan Damansara, 50000 Kuala Lumpur on Tuesday, 24th June 2008 at 10.30 a.m. and at every adjournment thereof to vote as indicated below:-

Name of proxy, NRIC No. & Address

No. of shares to be represented by proxy

1. _____
2. _____

In case of a vote taken by a show of hands, the first-named proxy shall vote on *my/our behalf. In the event of a poll being demanded, *my/our proxy/proxies shall vote as indicated below:-

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		

(Please indicate with "x" how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion).

As witness my hand this _____ day of _____ 2008

Signature/Common Seal

No. of ordinary shares held

* Strike out whichever is not desired.

Notes :-

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.
4. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorised.
5. The Form of Proxy must be deposited at the Company's Share Registrar Office at Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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Stamp
Here

THE SHARE REGISTRAR
EXCEL FORCE MSC BERHAD
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

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Annual Report 2007 Request Form

EXCEL FORCE MSC BERHAD (570777 X)

The Annual Report 2007 of Excel Force MSC Berhad is issued in CD-ROM format. The Company shall forward a hard copy of the Annual Report to the member upon request within four (4) market days from the date of receipt of the verbal or written request.

Members of the Company may contact Ms. Gan Fei Chen at 03-7660 0588 for requisition of the Annual Report or any queries in respect of viewing of the CD-ROM.

Particulars of Member

Full name : _____

I.C./Company No. : _____

CDS Account No. : _____

Correspondence Address : _____

Telephone Contact : _____

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THE BOARD OF DIRECTORS
EXCEL FORCE MSC BERHAD
Pusat Dagangan Phileo Damansara II
611, Block B, No.15, Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan

Please Fold Here

ExcelFORCE
MSC Berhad

Address : Pusat Dagangan Phileo Damansara II,
611, Block B, No 15, Jalan 16/11,
Off Jalan Damansara,
46350 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

Tel : + 6 03 7660 0588 (Hunting Line)
+ 6 03 7665 1990 (Service Line)
Fax : + 6 03 7660 0581
Email : info@excelforce.com.my
Web : www.excelforce.com.my