

EXCEL FORCE MSC BERHAD (570777-X)**Quarterly Report on Financial Results for the 4th Quarter Ended 31 December 2006****Income Statement**

(The figures have not been audited)

	(Unaudited)			Inc/ (Dec) %	(Unaudited) (Audited)		
	INDIVIDUAL QUARTER ENDED		30.12.05 RM'000		CUMULATIVE QUARTER ENDED		Inc/ (Dec) %
	30.12.06 RM'000	30.12.05 RM'000			30.12.06 RM'000	30.12.05 RM'000	
Revenue	1,417	1,243	14	5,471	5,054	8	
Other operating income	77	58	33	228	230	(1)	
Operating expenses	(919)	(876)	5	(3,729)	(3,371)	11	
Profit from operations	575	425	35	1,970	1,913	3	
Finance costs	-	-	N/A	(3)	(2)	25	
Profit before taxation	575	425	35	1,968	1,911	3	
Taxation	(10)	(10)	-	(72)	(41)	76	
Profit after taxation	565	415	36	1,896	1,870	1	
Net profit for the period	565	415	36	1,896	1,870	1	
Attributable to:							
Equity holders of the parent	565	415	36	1,896	1,870	1	
Minority interest	-	-	-	-	-	-	
	565	415	36	1,896	1,870	1	
Earnings per share (Note B13)							
(i) Basic (sen)	0.71	0.52	37	2.37	2.34	1	
(ii) Diluted (sen)	0.70	0.51	37	2.35	2.31	2	

For the three (3) months ended 31.12.06, the revenue increased by 14% as compared to the corresponding period in the preceding year (31.12.05 : RM1,243,000).
For the twelve (12) months ended 31.12.06, the revenue improved by 8% as compared to the corresponding period in the preceding year (31.12.05 : RM5,054,000).

Profit after tax (PAT) for the quarter ended 31.12.06 showed a 36% increase compared to the corresponding quarter in the preceding year (31.12.05 : RM415,000).

PAT for the twelve (12) months ended 31.12.06 has shown a slight increase as compared to the corresponding period in the preceding year (31.12.05 : RM1,870,000).

The unaudited condensed income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to this quarterly report.

EXCEL FORCE MSC BERHAD (570777-X)
Quarterly Report on Financial Results for the 4th Quarter Ended 31 December 2006
Condensed Balance Sheet

	(Unaudited)	(Audited) As at preceding financial period ended
	As at 30.12.06 RM'000	31.12.05 RM'000
	<u> </u>	<u> </u>
Property, plant and equipment	1,931	2,024
Development costs	3,097	2,098
Intangible assets	657	758
Current Assets		
Inventories	320	253
Trade and other receivables	2,839	1,974
Cash and cash equivalents	7,113	7,812
	<u>10,272</u>	<u>10,039</u>
Current Liabilities		
Trade and other payables	1,245	439
Taxation	-	8
Hire purchase creditor (current)	-	28
	<u>1,245</u>	<u>475</u>
Net Current Assets	9,027	9,564
	<u>14,712</u>	<u>14,444</u>
Capital and Reserves		
Share capital	8,000	8,000
Reserves	6,712	6,416
Shareholder's funds	<u>14,712</u>	<u>14,416</u>
Long Term and Deferred Liabilities		
Hire purchase creditor (non-current)	-	28
	<u>14,712</u>	<u>14,444</u>
Net assets per share (attributable to ordinary equity shares of the parent(RM))	0.18	0.18

The unaudited condensed balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to this quarterly report.

EXCEL FORCE MSC BERHAD (570777-X)
Quarterly Report on Financial Results for the 4th Quarter Ended 31 December 2006
Condensed Cash Flow Statement

	(Unaudited) 12 MONTHS ENDED 30.12.06 RM'000	(Audited) 12 MONTHS ENDED 30.12.05 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,968	1,911
Adjustment for Non Cash Item		
Amortisation of intangible assets and development cost	408	377
Depreciation of assets	514	445
Gain of disposal of asset	(32)	(15)
Interest income	(196)	(204)
Interest expenses	3	2
Operating profit before working capital changes	<u>2,665</u>	<u>2,516</u>
Changes in Working Capital		
Net Changes in Current Asset	(925)	(677)
Net Changes in Current Liabilities	6	(558)
Cash Generated From Operations	<u>1,746</u>	<u>1,281</u>
Tax paid	(87)	(31)
Interest received	196	204
Interest paid	(3)	(2)
Development cost incurred	(1,306)	(1,017)
Net Cash From Operating Activities	<u>546</u>	<u>435</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(452)	(747)
Proceeds from disposal of property, plant & equipment	62	85
Net Cash Used In Investing Activities	<u>(390)</u>	<u>(662)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase creditor	(55)	(28)
Dividends Paid	(800)	(1,200)
Net Cash Used In Financing Activities	<u>(855)</u>	<u>(1,228)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(699)	(1,455)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,812	9,267
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>7,113</u></u>	<u><u>7,812</u></u>
Cash and cash equivalents comprise:		
Fixed deposit with licensed banks	4,706	7,446
Investment fund	2,008	
Cash and bank balances	399	366
	<u><u>7,113</u></u>	<u><u>7,812</u></u>

The unaudited condensed cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to this quarterly report.

EXCEL FORCE MSC BERHAD (570777-X)
Condensed Statement of Changes in Equity
For the period from 1 January 2006 to 31 December 2006
(The figures have not been audited)

	Share Capital	Share Premium	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2006 (Unaudited)				
Balance at 1 January 2006	8,000	4,904	1,512	14,416
Net profit for the 12 months ended 31 December 2006	-	-	1,896	1,896
Dividend paid	-	-	(800)	(800)
Dividend payable	-	-	(800)	(800)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	8,000	4,904	1,808	14,712
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Preceding year comparative period ended 31 December 2005 (Audited)</u>				
Balance at 1 January 2005	8,000	4,904	842	13,746
Net profit for the 12 months ended 31 December 2005	-	-	1,870	1,870
Dividend paid			(1,200)	(1,200)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2005	8,000	4,904	1,512	14,416
	<hr/>	<hr/>	<hr/>	<hr/>

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to this quarterly report.

A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD NO. 134

A1. Basis of Preparation

These interim unaudited financial statements have been prepared in compliance with the Financial Reporting Standard ("FRS") No. 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange") for the MESDAQ Market, and should be read in conjunction with the Company's annual audited financial statements for the financial year ended 31 December 2005.

A2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Company in the interim financial statements are consistent with those adopted for the financial year ended 31 December 2005 except for the adoption of the following new FRS effective for financial periods beginning 1 January 2006:-

FRS 2	Share based payment
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 107	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 112	Income Taxes
FRS 114	Segment Reporting
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 138	Intangible Assets

The adoption of all FRS mentioned above does not have a significant impact on the Company's interim financial statement.

A3. Audit Report

The audit report on the Company's preceding annual financial statements was not subject to any audit qualification.

A4. Seasonality or Cyclicity of Interim Operations

The Company's interim operations were not affected by seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6. Changes In Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have a material effect on the quarter under review.

A7. Debt And Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

A8. Dividend Paid

On 29 November 2006, the Board declared a first interim tax exempt dividend of 10% equivalent to 1.0 sen per ordinary share for the financial year ending 31 December 2006. (Previous year corresponding period : 1.5 sen per share tax exempt). The dividend has been paid on 26 January 2007 to holders of ordinary shares of RM0.10 each whose names appeared in the Record of Depositors of the Company at the close of business on 29 December 2006.

A9. Segmental Reporting

Primary reporting - Business segments

	----- For the individual quarter ended ----->							
	Application Solutions *		Application Services Providers (ASP) ^		Maintenance Services		Total	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
REVENUE								
External sales	272	621	902	413	243	209	1,417	1,243
RESULT								
Segment Profit	63	190	331	97	104	80	498	367
Other operating income							77	58
Finance Costs							-	-
Profit Before Taxation							575	425
Taxation							(10)	(10)
Profit After Taxation							565	415

Notes :

* Application Solutions are sales of software applications and product on an outright purchase basis.

^ Application Services Providers (ASP) income is outsourcing service charge which is volume and transaction based.

A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD NO. 134

A9. Segmental Reporting

Primary reporting - Business segments

REVENUE	For the cumulative quarter ended							
	Application Solutions *		Application Services Providers (ASP) ^		Maintenance Services		Total	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
External sales	1,524	2,514	2,968	1,660	979	880	5,471	5,054
RESULT								
Segment Profit	272	615	1,070	653	401	415	1,743	1,683
Other operating income							228	230
Finance Costs							(3)	(2)
Profit Before Taxation							1,968	1,911
Taxation							(72)	(41)
Profit After Taxation							1,896	1,870

Notes :

* Application Solutions are sales of software applications and product on an outright purchase basis.

^ Application Services Providers (ASP) income is outsourcing service charge which is volume and transaction based.

A10. Valuation of Property, Plant and Equipment

There were no changes or revaluation on the value of the Company's property, plant and equipment from the previous quarters and preceding annual audited financial statements.

A11. Subsequent Material Event

There was no material event subsequent to the current financial quarter ended 31 December 2006 up to the date of this report which is likely to substantially affect the results of the operations of the Company for the quarter under review.

A12. Changes in Company Composition

There were no changes in the composition of the Company during the quarter under review.

A13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last financial year ended 31 December 2005.

B. EXPLANATORY NOTES AS PER MESDAQ LISTING REQUIREMENT (APPENDIX 9B)

B1. Review of Performance for the Quarter and Year to Date

For the quarter ended 31 December 2006, the Company achieved a total revenue of RM1,417,000 (31.12.05: RM1,243,000) and profit before taxation ("PBT") of RM575,000 (31.12.05: RM425,000) respectively. The quarter under review showed a higher revenue as compared to the corresponding quarter in 2005 as a result of higher ASP sales.

For the twelve (12) months ended 31 December 2006, the Company achieved a total revenue of RM5,471,000 (31.12.05:RM5,054,000) and PBT of RM1,968,000 (31.12.05:RM1,911,000). The period under review showed a higher revenue compared to the corresponding period in 2005 due to higher ASP sales but the effects of higher ASP sales were lessened by the dip in Application Solutions sales. Further, higher operating expenses of RM3,729,000 (31.12.05:RM3,371,000) was incurred in the period under review. As such, PBT for the period under review had showed marginal improvement.

B2. Comparison with Previous Quarter's PBT

PBT of RM575,000 for the quarter under review was higher than the PBT of RM314,000 recorded in the previous quarter. This is due to a higher ASP sales.

B3. Prospects for 2007

Barring unforeseen circumstances, the Directors are optimistic that the Company maintains similar financial performance of 2006 for the financial year ending 31 December 2007.

B4. Variance of Profit Forecast and Shortfall in Profit Guarantee

Not applicable as no profit forecast was announced and no profit guarantee has been provided.

B5. Taxation

The taxation charge for the individual and cumulative quarter are as follows:

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Taxation	10	10	72	41

The Company has been granted Pioneer Tax Status under the Promotion of Investments (Amendment) Act, 1997. Accordingly, the Company is exempted from tax on business income. The reported tax expense is attributed to interest income on term deposits and withholding tax arising from foreign sales proceed.

B. EXPLANATORY NOTES AS PER MESDAQ LISTING REQUIREMENT (APPENDIX 9B)

B6. Sale of Unquoted Investments and/or Properties

There were no disposal of unquoted investments or properties during the quarter and financial year under review.

B7. Quoted and Marketable Securities

The Company did not own any quoted or marketable securities as at 31 December 2006. There were no purchases or disposals of quoted securities made during the quarter and financial year under review.

B8. Status of Corporate Proposals

(i) As at 31 December 2006, the status of utilisation of the proceeds raised from the Company's listing exercise is as follows: -

	Amount approved for utilisation per Prospectus RM'000	Revised amount approved for utilisation* RM'000	Amount utilised RM'000	Amount not utilised RM'000	Extended timeframe for utilisation*
Working Capital	7,688	7,884	4,802	3,082	By December 2007
Research & Development Expenses	1,500	1,500	1,500	-	-
Listing Expenses	1,100	904	904	-	-
	<u>10,288</u>	<u>10,288</u>	<u>7,206</u>	<u>3,082</u>	

Note:

* On 17 January 2006, the Securities Commission ("SC") approved an extension of time for and variation to the utilisation of listing proceeds.

(ii) On 10 December 2004, the Company implemented an Employee's Share Option Scheme (ESOS) prior to the listing of the Company on 21 December 2004. The Company offered to grant options in respect of 15,000,000 shares to eligible directors and employees. At the closing date, the Company received acceptances for options in respect of 1,500,000 shares. As at the date of this report, none of the options granted has been exercised.

On 1 July 2005, the Company offered to grant options for 13,500,000 shares to the eligible directors and employees. At the closing date, the Company received acceptances for options in respect of 13,280,000 shares. As at the date of this report, none of the options granted has been exercised.

B9. Borrowings and Debt Securities

The Company does not have any borrowings nor has the Company issued any debt securities as at 31 December 2006.

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

The Company is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Company as at the date of this report.

B12. Dividend

On 29 November 2006, the Board declared a first interim tax exempt dividend of 10% equivalent to 1.0 sen per ordinary share for the financial year ending 31 December 2006. (Previous year corresponding period : 1.5 sen per share tax exempt). The dividend has been paid on 26 January 2007 to holders of ordinary shares of RM0.10 each whose names appeared in the Record of Depositors of the Company at the close of business on 29 December 2006.

B13. Earnings Per Share ("EPS")

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.06	31.12.05	31.12.06	31.12.05
Basic EPS				
Net profit for the period (RM'000)	565	415	1,896	1,870
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic EPS (sen)	<u>0.71</u>	<u>0.52</u>	<u>2.37</u>	<u>2.34</u>

Basic EPS is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.06	31.12.05	31.12.06	31.12.05
Diluted EPS				
Net profit for the period (RM'000)	565	415	1,896	1,870
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Add: Dilutive potential of ESOS options ('000)	824	1,207	785	1,053
	<u>80,824</u>	<u>81,207</u>	<u>80,785</u>	<u>81,053</u>
Diluted EPS (sen)	<u>0.70</u>	<u>0.51</u>	<u>2.35</u>	<u>2.31</u>

The calculation of the diluted EPS is based on the net profit for the period under review, divided by the weighted average number of ordinary shares of RM0.10 each in issue adjusted for shares issuable under the ESOS.