

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2009**

**The figures have not been audited.**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Revenue	3,210	3,287	5,834	6,676
Other operating income	65	71	138	146
Operating expenses	(1,647)	(1,685)	(3,274)	(3,086)
<b>Profit from operations</b>	<b>1,628</b>	<b>1,673</b>	<b>2,698</b>	<b>3,736</b>
Finance costs	-	-	-	-
<b>Profit before taxation</b>	<b>1,628</b>	<b>1,673</b>	<b>2,698</b>	<b>3,736</b>
Taxation	(11)	(75)	(66)	(133)
<b>Net profit for the period</b>	<b>1,617</b>	<b>1,598</b>	<b>2,632</b>	<b>3,603</b>
<b>Attributable to:</b>				
Equity holders of the parent	1,646	1,599	2,677	3,603
Minority interest	(29)	(1)	(45)	-
	<b>1,617</b>	<b>1,598</b>	<b>2,632</b>	<b>3,603</b>
<b>Earnings per share</b>				
(i) Basic (sen)	1.36	1.32	2.21	2.98
(ii) Diluted (sen)	1.35	1.30	2.21	2.90

*(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2009**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>(Unaudited)</b> <b>As at</b> <b>30.06.2009</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>31.12.2008</b> <b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,650	3,833
Prepaid lease payments	316	317
Development costs	4,559	4,443
Intangible assets	404	455
	<u>8,929</u>	<u>9,048</u>
<b>Current assets</b>		
Inventories	69	63
Trade receivables	4,283	3,790
Other receivables and prepaid expenses	613	556
Deposits with financial institutions	13,061	9,697
Cash and bank balances	581	2,828
	<u>18,607</u>	<u>16,934</u>
<b>Current liabilities</b>		
Trade payables	339	249
Other payables and accrued expenses	1,376	2,554
Taxation	27	18
	<u>1,742</u>	<u>2,821</u>
<b>Net current assets</b>	<b>16,865</b>	<b>14,113</b>
	<u><b>25,794</b></u>	<u><b>23,161</b></u>
<b>Capital and reserves</b>		
Share capital	12,112	12,112
Reserves	13,657	10,979
Minority interest	25	70
<b>Shareholders' funds</b>	<u>25,794</u>	<u>23,161</u>
	<u><b>25,794</b></u>	<u><b>23,161</b></u>
<b>Net assets per share (attributable to ordinary equity shares of the parent) (RM)</b>	<b>0.21</b>	<b>0.19</b>

*(The unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>FOR THE 6 MONTHS ENDED</b>	
	<b>30.06.2009</b>	<b>30.06.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,698	3,736
Adjustments for:		
Allowance for doubtful debts	68	19
Amortisation of development costs	570	479
Amortisation of intangible assets	51	50
Amortisation of prepaid lease payments	2	2
Depreciation of property, plant and equipment	312	267
Interest income	(123)	(146)
Operating profit before working capital changes	<u>3,578</u>	<u>4,407</u>
Changes in working capital:		
Increase in inventories	(6)	(31)
Increase in trade receivables	(561)	(1,865)
Increase in other receivables and prepaid expenses	(57)	(60)
Increase in trade payables	90	220
(Decrease)/Increase in other payables and accrued expenses	(4)	464
Cash generated from operations	<u>3,040</u>	<u>3,135</u>
Tax paid	(20)	(13)
Interest received	123	146
Development costs incurred	(686)	(772)
<b>Net cash from operating activities</b>	<u>2,457</u>	<u>2,496</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(129)	(128)
Additions in prepaid lease payments	-	(108)
<b>Net cash used in investing activities</b>	<u>(129)</u>	<u>(236)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	33
Proceeds arising from the increase of shares of subsidiary company	-	80
Dividends paid	(1,211)	(1,816)
<b>Net cash used in financing activities</b>	<u>(1,211)</u>	<u>(1,703)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,117	557
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	12,525	10,324
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u><u>13,642</u></u>	<u><u>10,881</u></u>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)**

	<b>FOR THE 6 MONTHS ENDED</b>	
	<b>30.06.2009</b>	<b>30.06.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Deposits with financial institutions	13,061	8,671
Cash and bank balances	581	2,210
	<b>13,642</b>	<b>10,881</b>

*(The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Reports for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<----- Attributable to Shareholders of the Company ----->						
	Share Capital RM'000	Distributable Retained Profits RM'000	Non Distributable Share Premium RM'000	ESOS Reserve RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 January 2008	12,098	7,653	1,038	82	20,871	-	<b>20,871</b>
Issuance of share pursuant to ESOS	14	-	19	-	33	-	<b>33</b>
Arising from acquisition of shares in subsidiary company	-	-	-	-	-	74	<b>74</b>
Net profit for the six (6) months ended 30 June 2008	-	3,603	-	-	3,603	-	<b>3,603</b>
Dividend paid	-	(1,816)	-	-	(1,816)	-	<b>(1,816)</b>
Balance as at 30 June 2008	<u>12,112</u>	<u>9,440</u>	<u>1,057</u>	<u>82</u>	<u>22,691</u>	<u>74</u>	<u>22,765</u>
Balance as at 1 January 2009	12,112	9,860	1,057	63	23,092	70	<b>23,162</b>
Net profit for the six (6) months ended 30 June 2009	-	2,677	-	-	2,677	(45)	<b>2,632</b>
Balance as at 30 June 2009	<u>12,112</u>	<u>12,537</u>	<u>1,057</u>	<u>63</u>	<u>25,769</u>	<u>25</u>	<u>25,794</u>

*(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)*

**A. EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD (“FRS”) NO. 134**

**A1. Basic of Preparation**

The interim financial report has been prepared in compliance with FRS No. 134, Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group for this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2008.

The Group has not adopted FRS No. 139 Financial Instruments: Recognition and Measurement and the consequential amendments resulting from FRS No. 139 of which the effective date is deferred to a date to be announced by the Malaysian Accounting Standards Board.

**A2. Audit Report**

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

**A3. Seasonality or Cyclicity of Interim Operations**

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

During the current financial 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.

**A5. Changes in Estimates**

There were no material changes in estimates of amounts reported in the prior financial year that has a material effect on the current financial quarter under review.

**A6. Debt and Equity Securities**

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

**A7. Dividend Paid**

No dividend was declared or paid during the current financial quarter under review. Subsequently on 24 August 2009, the Board of Directors (“Board”) had declared a first interim tax exempt dividend of 15% equivalent to 1.5 sen per ordinary share of RM0.10 each, amounting to approximately RM1.82 million in respect of the financial year ending 31 December 2009.

**A8. Segmental Reporting**

Primary reporting - Business segments

The segmental results of the Group for the current financial quarter and cumulative financial period to-date under review are set out below:

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**A8. Segmental Reporting (cont'd)**

**i) Individual Quarter**

	<----- For the individual financial quarter ended ----->							
	Application Solutions*		Application Services Providers^		Maintenance Services		Total	
	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000
<b>REVENUE</b>								
External sales	519	1229	2,491	1,794	200	264	3,210	3,287
<b>RESULT</b>								
Segment profit	260	644	1,168	799	135	158	1,563	1,601
Gain on foreign exchange							50	-
Interest income							15	72
Profit before taxation							1,628	1,673
Taxation							(11)	(75)
<b>Net profit for the financial period</b>							<b>1,617</b>	<b>1,598</b>
<b>Net profit for the financial period attributable to:</b>								
Equity holders of parent							1,646	1,599
Minority interest							(29)	(1)
							<b>1,617</b>	<b>1,598</b>

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**A8. Segmental Reporting (Cont'd)**

**ii) Cumulative Quarter**

	<----- For the cumulative financial quarter ended ----->							
	Application Solutions*		Application Services Providers^		Maintenance Services		Total	
	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000
<b>REVENUE</b>								
External sales	1,446	2,271	4,025	3,961	363	444	5,834	6,676
<b>RESULT</b>								
Segment profit	688	1,293	1,657	2,018	215	279	2,560	3,590
Gain/(Loss) on foreign exchange							16	-
Interest income							122	146
Profit before taxation							2,698	3,736
Taxation							(66)	(133)
<b>Net profit for the financial period</b>							<b>2,632</b>	<b>3,603</b>
<b>Net profit for the financial period attributable to:</b>								
Equity holders of parent							2,677	3,603
Minority interest							(45)	-
							<b>2,632</b>	<b>3,603</b>

**Notes:**

\* Application Solutions ("AS") 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.



**A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current financial quarter under review. Therefore, the valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**A10. Subsequent Material Event**

There was no material event subsequent to the current financial quarter ended 30 June 2009 up to the date of the announcement of this report which is likely to substantially affect the results of the operations of the Group for the quarter under review.

**A11. Changes in the Composition of the Group**

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

**A12. Changes in Contingent Liabilities or Contingent Assets**

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

**A13. Recurrent Related Party Transactions ("RRPT")**

There were no RRPT in the Group during the current financial quarter under review.

**B. EXPLANATORY NOTES AS PER ACE MARKET LISTING REQUIREMENT (APPENDIX 9B)**

**B1. Review of Performance for the Current Financial Quarter**

For the current financial quarter ended 30 June 2009, the Group achieved a total revenue of RM3.21 million (30.06.08: RM3.29 million) and profit before taxation ("PBT") of RM1.63 million (30.06.08: RM1.67 million) respectively. The current financial quarter under review recorded a decrease of 2% and 3% in revenue and PBT respectively as compared to the corresponding quarter in the preceding year as a result of lower sales generated from the AS and maintenance services business segments. This was mainly due to the global credit crunch that affected capital expenditures generally.

The sales contribution from ASP, however, recorded higher value, compared to the corresponding quarter in the preceding year. This was due to the higher volume generated in equity-trade related activities as a result of renewed confidence in the overall local stock market.

For the six (6) months financial period ended 30 June 2009, the Group achieved a total revenue of RM5.83 million (30.06.08: RM6.68 million) and PBT of RM2.70 million (30.06.08: RM3.74 million) respectively.

The cumulative financial quarter ended 30 June 2009 showed a 13% and 28% decrease in revenue and PBT respectively as compared to the corresponding cumulative quarter in the preceding year. This was mainly due to lower revenue generated from AS and maintenance services business segment. The overall impact was mitigated with the positive contribution from the ASP segment and ASP business model remained the major revenue contributor among the business segments as compared to the corresponding cumulative quarter in preceding year.

**B2. Comparison with Previous Financial Quarter's PBT**

PBT of RM1.63 million for the current financial quarter under review was higher than the PBT of RM1.07 million recorded in the previous quarter. This was due mainly to improvement in ASP sales recorded from higher trading volume and transactions experienced during the quarter under review.

**B3. Prospects for 2009**

The Board takes cognisance of the current challenging market environment. Notwithstanding that, the Board is of the view that barring any unforeseen circumstances, the Group is expected to achieve a satisfactory performance for the financial year ending 31 December 2009.

**B4. Variance of Profit Forecast and Shortfall in Profit Guarantee**

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial period to-date.

**B5. Taxation**

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.09 RM'000	30.06.08 RM'000	30.06.09 RM'000	30.06.08 RM'000
Taxation	<u>11</u>	<u>75</u>	<u>66</u>	<u>133</u>

The Group has been granted Pioneer Tax Status under the Promotion of Investments (Amendment) Act, 1997. Therefore, the Group 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 proceeds.

**B6. Sale of Unquoted Investments and/or Properties**

There were no disposal of unquoted investments and/or properties by the Group during the current financial quarter and the cumulative financial quarter under review.

**B7. Quoted and Marketable Securities**

There was no purchase or disposal of quoted and marketable securities during the current financial quarter under review.

**B8. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

**B9. Borrowings and Debt Securities**

The Company does not have any borrowings and debt securities as at 30 June 2009. However, on 8 January 2007, the Company acquired four (4) units of new office block located at Jaya 1, Section 13, Petaling Jaya, Selangor Darul Ehsan ("Properties") for a total purchase consideration of RM2.150 million ("Acquisition"). The Acquisition is financed by secured bank borrowings (approximately 80%) and internally generated funds (approximately 20%). This term loan is for a period of ten (10) years and it has a feature of Savelink Term Loan where interest shall only be calculated at the prescribed rate on the daily outstanding amount.

**B10. Off Balance Sheet Financial Instruments**

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

**B11. Material Litigation**

Save as disclosed below, the Group is not engaged in any material litigation either as plaintiff or defendant and the Board do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

**Kuala Lumpur High Court Originating Summons No. D7-24-118-2007**  
***Automatic Identification Technology Sdn Bhd v Excel Force MSC Bhd***

On 30 March 2007, Excel Force MSC Bhd ("EFMB") served a statutory notice under Section 218 of the Act to Automatic Identification Technology ("AIT") ("Statutory Notice") for a long outstanding amount of RM150,000, being the cost of application, software with installation and configuration of a system at an end client.

On 9 April 2007, AIT through its legal counsel, served EFMB with an express notice not to file any winding up petition and requested EFMB to withdraw the said Statutory Notice immediately and to provide an undertaking within forty-eight (48) hours not to proceed further with the said Statutory Notice as well as an undertaking not to file any winding up petition based on the Statutory Notice. EFMB did not withdraw the said Statutory Notice.

AIT then proceeded to file an application for injunction to stop EFMB from proceeding with the winding-up petition against AIT on the ground *inter-alia* AIT has a claim of RM557,160 against EFMB.

At the hearing on 16 May 2007, the Court has directed both parties to file written submissions and had fixed 17 October 2007 to hear the oral submission. EFMB has filed a further affidavit on 27 July 2007 informing the Court of the fact that AIT's claim of RM557,160 vide the statutory notice under Kuala Lumpur High Court No. D8-24-131-2007 has been withdrawn.

At the hearing on 29 February 2008, the High Court had dismissed AIT's originating Summons and Summons in Chamber with cost for an injunction to restrain the Company from filing the winding-up petition pursuant to the Statutory Notice dated 30 March 2007 issued by the Company against AIT for failing to settle the long outstanding amount of RM150,000 claimed by the Company.

AIT had on the 17 March 2008 filed an appeal to the Court of Appeal against the High Court's decision and thereafter filed a Summon In Chamber in the High Court on 28 March 2008 for an Erinford Injunction to stop EFMB from proceeding with the winding-up petition against AIT pending the disposal of the appeal in the Court of Appeal. The Court had initially fixed 18 April 2008 for hearing of AIT's application for Erinford Injunction but the Court had adjourned hearing to 11 June 2008 to allow both parties to discuss the possibility of settlement.

The Court had again adjourned the hearing of the Erinford Injunction which was fixed on 11 June 2008 to 4 August 2008. On 4 August 2008, the Court had directed both parties to file the outline submission and had fixed 4 December 2008 for hearing as the issue on the payment for the cost of injunction is not resolved.

At the hearing on 4 December 2008, the Court had granted the order subject to the condition that AIT shall deposit a sum of RM150,000 by 11 December 2008. AIT had on 5 December 2008 deposited a sum of RM150,000 into Court.

As at to-date, the Court of Appeal has yet to fix a date of hearing for the appeal of AIT.

**B12. Dividend**

No dividend was declared or paid during the current financial quarter under review. Subsequently on 24 August 2009, the Board of Directors (“Board”) had declared a first interim tax exempt dividend of 15% equivalent to 1.5 sen per ordinary share of RM0.10 each, amounting to approximately RM1.82 million in respect of the financial year ending 31 December 2009.

**B13. Earnings Per Share ("EPS")**

**i) Basic EPS**

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
<b>Basic EPS*</b>				
Net profit for the period (RM'000)	1,646	1,598	2,677	3,603
Weighted average number of ordinary shares in issue ('000)	121,119	121,119	121,119	121,064
Basic EPS (sen)	<u>1.36</u>	<u>1.32</u>	<u>2.21</u>	<u>2.98</u>

*Note:*

\* The calculation of the basic EPS is based on the net profit for the current financial quarter under review and the cumulative financial quarter ended 30 June 2009, divided by the adjusted weighted average number of ordinary shares of RM0.10 each in issue during the current financial quarter and the said cumulative financial quarter.

**ii) Diluted EPS**

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
<b>Diluted EPS**</b>				
Net profit for the period (RM'000)	1,646	1,598	2,677	3,603
Weighted average number of ordinary shares in issue ('000)	121,119	121,119	121,119	121,064
Add: Dilutive potential of ESOS options ('000)	647	1,675	-	3,201
	<u>121,766</u>	<u>122,794</u>	<u>121,119</u>	<u>124,265</u>
Diluted EPS (sen)	<u>1.35</u>	<u>1.30</u>	<u>2.21</u>	<u>2.90</u>

*Notes:*

\*\* The calculation of the diluted EPS is based on the net profit for the current financial quarter under review and the cumulative financial quarter ended 30 June 2009, divided by the adjusted weighted average number of ordinary shares of RM0.10 each in issue and issuable under the exercise of share options granted under the ESOS.