



**EXTOL MSC BERHAD (643683-U)**

**(Incorporated in Malaysia)**

**QUARTERLY REPORT**

**FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

(The figures have not been audited)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	Notes	AS AT END OF CURRENT QUARTER 30/06/2006 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2005 Audited RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,567	4,372
Goodwill		2,026	2,026
Product development expenditure		3,681	3,372
		10,274	9,770
<b>CURRENT ASSETS</b>			
Inventories		76	76
Trade receivables		5,652	4,792
Other receivables		413	867
Tax recoverable		90	90
Cash and bank balances		5,448	538
		11,679	6,363
<b>TOTAL ASSETS</b>		21,953	16,133
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		10,440	7,830
Share premium		3,620	-
Retained profit		4,228	3,707
<b>Total equity</b>		18,288	11,537
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		755	755
Hire purchase creditor	B10	1	9
Term loans	B10	576	551
		1,332	1,315
<b>CURRENT LIABILITIES</b>			
Trade payables		2,001	1,321
Bills payable	B10	-	1,028
Other payables and accruals		189	345
Provision for taxation		4	
Hire purchase creditor	B10	15	15
Term loans	B10	124	153
Bank overdraft		-	419
		2,333	3,281
<b>Total Liabilities</b>		3,665	4,596
<b>TOTAL EQUITY AND LIABILITIES</b>		21,953	16,133
Number of ordinary shares ('000)		104,400	7,830
Net Asset per share (Sen)		17.52	147.34

**NOTES:**

1. The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report and the audited financial statements for the financial year ended 31 December 2005.

2. In conjunction with its listing on the MESDAQ Market of Bursa Securities, Extol MSC Bhd effected a share split of its shares from par value of RM1.00 to RM0.10. As at 31 December 2005, the issued and paid-up share capital was 7,830,000 ordinary shares of RM1.00 each. As at 30 June 2006, the issued and paid-up share capital was 104,400,000 ordinary shares of RM0.10 each.



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**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER 30/06/2006 RM'000	CORRESPONDING QUARTER 30/06/2005 RM'000	TO DATE 30/06/2006 RM'000	CORRESPONDING PERIOD 30/06/2005 RM'000
REVENUE	A9	2,102	N/A	5,111	N/A
COST OF SALES		(1,224)	N/A	(3,026)	N/A
GROSS PROFIT		878	N/A	2,085	N/A
OTHER INCOME		24	N/A	69	N/A
INTEREST INCOME		33	N/A	59	N/A
OPERATING EXPENSES		(857)	N/A	(1,619)	N/A
PROFIT FROM OPERATIONS		78	N/A	594	N/A
INTEREST EXPENSE		(14)	N/A	(69)	N/A
PROFIT BEFORE TAXATION		64	N/A	525	N/A
TAXATION	B5	8	N/A	(4)	N/A
PROFIT AFTER TAXATION		72	N/A	521	N/A
Less : MINORITY INTERESTS		-		-	
NET PROFIT FOR THE YEAR		72	N/A	521	N/A
Earnings Per Ordinary Share					
- Basic (sen)	B13a	0.07	N/A	0.56	N/A
- Diluted (sen)	B13b	N/A	N/A	N/A	N/A

**NOTES:**

1. The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report and the audited financial statements for the financial year ended 31 December 2005.

2. Extol MSC Bhd was listed on MESDAQ Market of Bursa Securities on 20 March 2006 and the Group was formed on 19 December 2005. As such, there are no comparative figures presented for the preceding year's corresponding period.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<i>Distributable</i>			Total
	Share Capital	Share Premium	Retained Profits	
	RM'000	RM'000	RM'000	RM'000
As at 1st January 2005	1,260	-	887	2,147
Issuance of shares	6,570	-	-	6,570
Profit after taxation	-	-	2,820	2,820
As at 31st December 2005	7,830	-	3,707	11,537
Issuance of shares	2,610	5,220	-	7,830
Listing Expenses	-	(1,600)	-	(1,600)
Profit after taxation	-	-	521	521
As at 30th June 2006	10,440	3,620	4,228	18,288

**NOTES:**

*1. The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report and the audited financial statements for the financial year ended 31 December 2005.*

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>01/01/2006 to 30/06/2006</b>	Corresponding period <b>01/01/2005 to 30/06/2005</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	525	N/A
Adjustments for:		
Amortisation of product development cost	189	N/A
Depreciation of property, plant equipment	239	N/A
Interest income	(59)	N/A
Interest expenses	69	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	963	N/A
Increase/(Decrease) in working capital		
Inventories	-	N/A
Trade receivables	(860)	N/A
Other receivables	454	N/A
Trade payables	679	N/A
Bills payable	(1,028)	N/A
Other payables	(156)	N/A
Amount owing to a director	-	N/A
	<hr/>	<hr/>
Cash used in operations	52	N/A
Bank overdraft interest paid	(14)	N/A
Bill payable interest paid	(31)	N/A
Net cash used in operating activities	<hr/>	<hr/>
	7	N/A
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(434)	N/A
Research and development expenditure	(498)	N/A
Interest income	59	N/A
Acquisition of subsidiaries, net of cash acquired	-	N/A
Net cash used in investing activities	<hr/>	<hr/>
	(873)	N/A
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Draw down of term loan	71	N/A
Proceeds from issuance of shares	7,830	N/A
Listing Expenses	(1,600)	N/A
Repayment of term loans	(74)	N/A
Term loan interest paid	(23)	N/A
Hire Purchase interest paid	(1)	N/A
Payment to Hire Purchase creditor	(8)	N/A
Net cash generated from financing activities	<hr/>	<hr/>
	6,195	N/A
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,329	N/A
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	119	N/A
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<hr/>	<hr/>
	5,448	N/A

**NOTES:**

1. The Unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the Notes to the Interim Financial Report and the audited financial statements for the financial year ended 31 December 2005.

2. Extol MSC Bhd was listed on MESDAQ Market of Bursa Securities on 20 March 2006 and the Group was formed on 19 December 2005. As such, there are no comparative figures presented for the preceding year's corresponding quarter.