

EXTOL MSC BERHAD (643683-U)**(Incorporated in Malaysia)****QUARTERLY REPORT**

FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT FINANCIAL QUARTER 30/6/2007 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2006 Audited RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	5,612	5,355
Goodwill	2,026	2,026
Product development expenditure	4,610	4,324
	12,248	11,705
CURRENT ASSETS		
Inventories	64	65
Trade receivables	4,720	7,549
Other receivables	602	383
Tax recoverable	84	84
Short term investment	2,437	1,039
Fixed deposit with a licensed bank	-	2,527
Cash and bank balances	1,286	68
	9,193	11,715
TOTAL ASSETS	21,441	23,420
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	10,440	10,440
Share Premium	3,620	3,620
Retained Profit	4,209	4,329
	18,269	18,389
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	848	848
Hire purchase creditor	127	147
Term loans	506	541
	1,481	1,536
LESS: CURRENT LIABILITIES		
Trade payables	1,382	1,066
Bills payable	-	1,385
Other payables and accruals	164	326
Provision for taxation	15	15
Hire purchase creditor	41	49
Term loans	69	83
Bank overdraft	20	571
	1,691	3,495
Total Liabilities	3,172	5,031
TOTAL EQUITY AND LIABILITIES	21,441	23,420
Number of ordinary shares at RM0.10 par each ('000)	104,400	104,400
Net Asset per share (Sen)	17.50	17.61

NOTES:

1. The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this report.

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FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR CORRESPONDING	CURRENT FINANCIAL YEAR TO DATE	PRECEDING FINANCIAL YEAR CORRESPONDING
		QUARTER 30/6/2007	QUARTER 30/6/2006	TO DATE 30/6/2007	PERIOD 30/6/2006
		RM'000	RM'000	RM'000	RM'000
REVENUE	A9	1,270	2,102	4,627	5,111
COST OF SALES		(651)	(1,224)	(2,278)	(3,026)
GROSS PROFIT		619	878	2,349	2,085
OTHER INCOME		25	24	62	69
INTEREST INCOME		30	33	66	59
OPERATING EXPENSES		(1,189)	(857)	(2,571)	(1,619)
(LOSS)/PROFIT FROM OPERATIONS		(515)	78	(94)	594
INTEREST EXPENSE		(12)	(14)	(26)	(69)
(LOSS)/PROFIT BEFORE TAXATION		(527)	64	(120)	525
TAXATION	B5	-	8	-	(4)
(LOSS)/PROFIT AFTER TAXATION		(527)	72	(120)	521
Less : MINORITY INTERESTS		-	-	-	-
NET (LOSS)/PROFIT FOR THE YEAR		(527)	72	(120)	521
Earnings Per Ordinary Share					
- Basic (sen)	B13a	-0.50	0.07	-0.11	0.56
- 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 audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this report.

EXTOL MSC BERHAD (643683-U)

(Incorporated in Malaysia)

QUARTERLY REPORT

FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	<i>Distributable</i> Share Premium	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000
6 months ended 30 June 2006				
As at 1st January 2006	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
6 months ended 30 June 2007				
As at 1st January 2007	10,440	3,620	4,329	18,389
Issuance of shares	-	-	-	-
Listing Expenses	-	-	-	-
Profit after taxation	-	-	(120)	(120)
As at 30th June 2007	10,440	3,620	4,209	18,269

NOTES:

1. The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this report.

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FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	01/01//2007 to 30/6/2007	Corresponding period 01/01/2006 to 31/6/2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(120)	525
Adjustments for:		
Amortisation of product development cost	256	189
Depreciation of property, plant equipment	456	239
Interest income	(66)	(59)
Interest expenses	26	69
Operating profit before working capital changes	552	963
Increase/(Decrease) in working capital		
Inventories	1	-
Trade receivables	2,829	(860)
Other receivables	(220)	454
Trade payables	316	679
Bills payable	(1,385)	(1,028)
Other payables	(162)	(156)
	1,379	(911)
Cash used in operations	1,931	52
Bank overdraft interest paid	(2)	(14)
Bill payable interest paid	-	(31)
Net cash used in operating activities	1,929	7
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(713)	(434)
Research and development expenditure	(542)	(498)
Interest income	66	59
Acquisition of subsidiaries, net of cash acquired	-	-
Net cash used in investing activities	(1,189)	(873)
CASH FLOWS FROM FINANCING ACTIVITIES		
Draw down of term loan	-	71
Proceeds from issuance of shares	-	7,830
Listing Expenses	-	(1,600)
Repayment of term loans	(49)	(74)
Term loan interest paid	(21)	(23)
Hire Purchase interest paid	(3)	(1)
Repayment to Hire Purchase creditor	(27)	(8)
Net cash generated from financing activities	(100)	6,195
Exchange differences on translation of the financial statement of foreign operations		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	640	5,329
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	3,063	119
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,703	5,448
Cash and cash equivalents comprise :		
Short term investment	2,437	-
Fixed deposit with licensed bank	-	-
Cash and bank balances	1,286	5,448
Overdraft	(20)	-
	3,703	5,448

NOTES:

1. The Unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this report.