

EXTOL MSC BERHAD (643683-U)
(Incorporated in Malaysia)
QUARTERLY REPORT
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2008
(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

		AS AT END OF CURRENT FINANCIAL QUARTER 30/06/2008 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 Audited RM'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		5,066	5,090
Prepaid lease assets		859	984
Goodwill		3,510	3,510
Product development expenditure		5,002	4,870
		14,437	14,454
CURRENT ASSETS			
Inventories		69	1
Trade receivables		5,366	6,492
Other receivables		355	125
Tax recoverable		58	58
Short term investment		868	855
Fixed deposit with a licensed bank		1,492	1,469
Cash and bank balances		1,210	1,890
		9,418	10,890
TOTAL ASSETS		23,855	25,344
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital		10,440	10,440
Share Premium		3,620	3,620
Retained Profit		4,799	4,894
Equity attributable to equity holders of the parent		18,859	18,954
Minority Interest		178	144
Total equity		19,037	19,098
NON-CURRENT LIABILITIES			
Deferred tax liabilities		779	878
Hire purchase creditor	B10	87	107
Term loans	B10	436	496
Lease creditor	B10	607	733
		1,909	2,214
CURRENT LIABILITIES			
Trade payables		723	2,631
Bills payable	B10	1,665	844
Other payables and accruals		133	198
Hire purchase creditor	B10	40	40
Term loans	B10	86	68
Lease creditor	B10	251	251
Bank overdraft	B10	11	-
		2,909	4,032
Total Liabilities		4,818	6,246
TOTAL EQUITY AND LIABILITIES		23,855	25,344
Number of ordinary shares at RM0.10 par each ('000)		104,400	104,400
Net Asset per share (Sen)		18.06	18.16

NOTES:

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR CORRESPONDING	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR CORRESPONDING
		QUARTER 30/6/2008 RM'000	QUARTER 30/6/2007 RM'000	TO DATE 30/6/2008 RM'000	PERIOD 30/6/2007 RM'000
REVENUE	A9	4,308	1,270	7,439	4,627
COST OF SALES		(2,873)	(651)	(4,291)	(2,278)
GROSS PROFIT		1,435	619	3,148	2,349
OTHER INCOME		32	25	69	62
INTEREST INCOME		28	30	55	66
OPERATING EXPENSES		(1,615)	(1,189)	(3,332)	(2,571)
LOSS FROM OPERATIONS		(120)	(515)	(60)	(94)
INTEREST EXPENSE		(45)	(12)	(100)	(26)
LOSS BEFORE TAXATION		(165)	(527)	(160)	(120)
TAXATION	B5	121	-	99	-
LOSS AFTER TAXATION		(44)	(527)	(61)	(120)
ATTRIBUTABLE TO:					
- EQUITY HOLDERS OF THE PARENT		(71)	(527)	(95)	(120)
- MINORITY INTERESTS		27	-	34	-
NET (LOSS)/PROFIT FOR THE PERIOD		(44)	(527)	(61)	(120)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	(0.07)	(0.50)	(0.09)	(0.11)
- Diluted (sen)	B13b	N/A	N/A	N/A	N/A

NOTES:

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.

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FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2008
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holder of the parent ----->					
	Share Capital	Share Premium	Retained Profits	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30 June 2007						
As at 1st January 2007	10,440	3,620	4,329	18,389	-	18,389
Loss after taxation	-	-	(120)	(120)	-	(120)
As at 30th June 2007	<u>10,440</u>	<u>3,620</u>	<u>4,209</u>	<u>18,269</u>	<u>-</u>	<u>18,269</u>
6 months ended 30 June 2008						
As at 1st January 2008	10,440	3,620	4,894	18,954	144	19,098
Loss after taxation	-	-	(95)	(95)	34	(61)
As at 30th June 2008	<u>10,440</u>	<u>3,620</u>	<u>4,799</u>	<u>18,859</u>	<u>178</u>	<u>19,037</u>

NOTES:

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 2007 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 2008

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	01/01/2008 to 30/06/2008	Corresponding period 01/01/2007 to 30/06/2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(160)	(120)
Adjustments for:		
Amortisation of prepaid lease assets	126	-
Amortisation of product development cost	308	256
Depreciation of property, plant equipment	490	456
Interest income	(55)	(66)
Interest expenses	100	26
Operating profit before working capital changes	809	552
Increase/(Decrease) in working capital		
Inventories	(68)	1
Trade receivables	1,126	2,829
Other receivables	(230)	(220)
Trade payables	(1,908)	316
Bills payable	821	(1,385)
Other payables	(64)	(162)
	(323)	1,379
Cash generated in operations	486	1,931
Bank overdraft interest paid	(1)	(2)
Bill payable interest paid	(59)	-
Net cash generated in operating activities	426	1,929
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(467)	(713)
Research and development expenditure	(440)	(542)
Interest income	55	66
Net cash used in investing activities	(852)	(1,189)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(43)	(49)
Term loan interest paid	(17)	(21)
Repayment to hire purchase creditor	(20)	(27)
Hire purchase interest paid	(2)	(3)
Repayment to lease creditor	(126)	-
Leasing interest paid	(21)	-
Net cash used in financing activities	(229)	(100)
Exchange differences on translation of the financial statement of foreign operations		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(655)	640
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,214	3,063
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,559	3,703
Cash and cash equivalents comprise :		
Short term investment	868	2,437
Fixed deposit with licensed bank	1,492	-
Cash and bank balances	1,210	1,286
Overdraft	(11)	(20)
	3,559	3,703

NOTES:

The Unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this report.