

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

FOR THE FINAL QUARTER OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	Notes	AS AT END OF CURRENT FINANCIAL QUARTER 30/09/2008 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 Audited RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		4,714	5,090
Prepaid lease assets		1,225	984
Goodwill		3,510	3,510
Product development expenditure		5,123	4,870
		14,572	14,454
CURRENT ASSETS			
Inventories		-	1
Trade receivables		3,290	6,492
Other receivables		544	125
Tax recoverable		86	58
Short term investment		875	855
Fixed deposit with a licensed bank		1,504	1,469
Cash and bank balances		2,247	1,890
		8,546	10,890
TOTAL ASSETS		23,118	25,344
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital		10,440	10,440
Share Premium		3,620	3,620
Retained Profit		4,978	4,894
Equity attributable to equity holders of the parent		19,038	18,954
Minority Interest		151	144
Total equity		19,189	19,098
NON-CURRENT LIABILITIES			
Deferred tax liabilities		836	878
Hire purchase creditor	B10	77	107
Term loans	B10	419	496
Lease creditor	B10	864	733
		2,196	2,214
CURRENT LIABILITIES			
Trade payables		712	2,631
Bills payable	B10	362	844
Other payables and accruals		177	198
Hire purchase creditor	B10	40	40
Term loans	B10	81	68
Lease creditor	B10	361	251
		1,733	4,032
Total Liabilities		3,929	6,246
TOTAL EQUITY AND LIABILITIES		23,118	25,344
Number of ordinary shares at RM0.10 par each ('000)		104,400	104,400
Net Asset per share (Sen)		18.24	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.

EXTOL MSC BERHAD (643683-U)

(Incorporated in Malaysia)

QUARTERLY REPORT

FOR THE FINAL QUARTER OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR CORRESPONDING	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR CORRESPONDING
		QUARTER 30/9/2008 RM'000	QUARTER 30/9/2007 RM'000	TO DATE 30/9/2008 RM'000	PERIOD 30/9/2007 RM'000
REVENUE	A9	2,440	2,528	9,879	7,155
COST OF SALES		(592)	(1,392)	(4,883)	(3,670)
GROSS PROFIT		1,848	1,136	4,996	3,485
OTHER INCOME		37	35	106	97
INTEREST INCOME		31	21	86	87
OPERATING EXPENSES		(1,660)	(1,389)	(4,992)	(3,960)
PROFIT/(LOSS) FROM OPERATIONS		256	(197)	196	(291)
INTEREST EXPENSE		(24)	(22)	(124)	(48)
PROFIT/(LOSS) BEFORE TAXATION		232	(219)	72	(339)
TAXATION	B5	(80)	174	19	174
PROFIT/(LOSS) AFTER TAXATION		152	(45)	91	(165)
ATTRIBUTABLE TO:					
- EQUITY HOLDERS OF THE PARENT		179	(48)	84	(168)
- MINORITY INTERESTS		(27)	3	7	3
NET PROFIT/(LOSS) FOR THE PERIOD		152	(45)	91	(165)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	0.17	(0.05)	0.08	(0.16)
- 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 2007 and the accompanying explanatory notes attached to this report.

² On 26 March 2008, the Company had announced the change in financial year end from 31 December to 30 September. The previously announced results for the third quarter ended 30 September 2007 for the last financial year is set out above for comparative purposes only.

EXTOL MSC BERHAD (643683-U)
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QUARTERLY REPORT
FOR THE FINAL QUARTER OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holder of the parent ----->					
	Share Capital	Share Premium	Distributable Retained Profits	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 September 2007						
As at 1st January 2007	10,440	3,620	4,329	18,389	-	18,389
(Loss)/Profit after taxation	-	-	(168)	(168)	3	(165)
Acquisition of a new subsidiary company	-	-	-	-	101	101
As at 30 September 2007	<u>10,440</u>	<u>3,620</u>	<u>4,161</u>	<u>18,221</u>	<u>104</u>	<u>18,325</u>
9 months ended 30 September 2008						
As at 1st January 2008	10,440	3,620	4,894	18,954	144	19,098
Profit after taxation	-	-	84	84	7	91
As at 30 September 2008	<u>10,440</u>	<u>3,620</u>	<u>4,978</u>	<u>19,038</u>	<u>151</u>	<u>19,189</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.

On 26 March 2008, the Company had announced the change in financial year end from 31 December to 30 September. The previously announced results for the third quarter ended 30 September 2007 for the last financial year is set out above for comparative purposes only.

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FOR THE FINAL QUARTER OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	01/01/2008 to 30/09/2008	Corresponding period 01/01/2007 to 30/09/2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	72	(339)
Adjustments for:		
Amortisation of prepaid lease assets	198	-
Amortisation of product development cost	463	383
Depreciation of property, plant equipment	689	768
Interest income	(86)	(87)
Interest expenses	124	48
Operating profit before working capital changes	<u>1,460</u>	<u>773</u>
Increase/(Decrease) in working capital		
Inventories	1	(4)
Trade receivables	3,203	3,303
Other receivables	(419)	265
Trade payables	(1,919)	1,324
Bills payable	(482)	(1,385)
Other payables	(21)	(133)
	<u>363</u>	<u>3,370</u>
Cash generated in operations	1,823	4,143
Bank overdraft interest paid	(1)	(2)
Amount paid for taxation	(52)	(18)
Bill payable interest paid	(61)	(2)
Net cash generated from operating activities	<u>1,709</u>	<u>4,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of prepaid lease assets	(438)	-
Purchase of property, plant and equipment	(314)	(1,256)
Research and development expenditure	(715)	(802)
Interest income	86	87
Acquisition of subsidiaries, net of cash acquired	-	(1,548)
Net cash used in investing activities	<u>(1,381)</u>	<u>(3,519)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Draw down of term loan	-	352
Draw down of lease creditor	438	-
Repayment of term loans	(64)	(389)
Term loan interest paid	(26)	(40)
Repayment to hire purchase creditor	(30)	(39)
Hire purchase interest paid	(4)	(5)
Repayment to lease creditor	(198)	-
Leasing interest paid	(32)	-
Net cash generated from/(used in) financing activities	84	(121)
Exchange differences on translation of the financial statement of foreign operations	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>412</u>	<u>481</u>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<u>4,214</u>	<u>3,063</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u><u>4,626</u></u>	<u><u>3,544</u></u>
Cash and cash equivalents comprise :		
Short term investment	875	849
Fixed deposit with licensed bank	1,504	711
Cash and bank balances	2,247	1,988
Overdraft	-	(4)
	<u>4,626</u>	<u>3,544</u>

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 2007 and the accompanying explanatory notes attached to this report.
- 2 On 26 March 2008, the Company had announced the change in financial year end from 31 December to 30 September. The previously announced results for the third quarter ended 30 September 2007 for the last financial year is set out above for comparative purposes only.