

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

FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

		AS AT END OF CURRENT FINANCIAL QUARTER 31/12/2007 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2006 Audited RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,090	5,355
Prepaid lease assets		984	-
Goodwill		3,510	2,026
Product development expenditure		4,870	4,324
		14,454	11,705
CURRENT ASSETS			
Inventories		1	65
Trade receivables		6,492	7,549
Other receivables		125	383
Tax recoverable		58	84
Short term investment		855	1,039
Fixed deposit with a licensed bank		1,469	2,527
Cash and bank balances		1,890	68
		10,890	11,715
TOTAL ASSETS		25,344	23,420
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital		10,440	10,440
Share Premium		3,620	3,620
Retained Profit		4,894	4,329
Equity attributable to equity holders of the parent		18,954	18,389
Minority Interest		144	-
Total equity		19,098	18,389
NON-CURRENT LIABILITIES			
Deferred tax liabilities		878	848
Hire purchase creditor	B10	107	147
Term loans	B10	496	541
Lease creditor	B10	733	-
		2,214	1,536
CURRENT LIABILITIES			
Trade payables		2,631	1,066
Bills payable	B10	844	1,385
Other payables and accruals		198	326
Provision for taxation		-	15
Hire purchase creditor	B10	40	49
Term loans	B10	68	83
Lease creditor	B10	251	-
Bank overdraft	B10	-	571
		4,032	3,495
Total Liabilities		6,246	5,031
TOTAL EQUITY AND LIABILITIES		25,344	23,420
Number of ordinary shares at RM0.10 par each ('000)		104,400	104,400
Net Asset per share (Sen)		18.16	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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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR QUARTER 31/12/2007 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31/12/2006 RM'000	CURRENT FINANCIAL YEAR TO DATE 31/12/2007 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING PERIOD 31/12/2006 RM'000
REVENUE	A9	5,846	4,922	13,000	15,630
COST OF SALES		(3,522)	(3,427)	(7,192)	(10,196)
GROSS PROFIT		2,324	1,495	5,808	5,434
OTHER INCOME		57	24	154	113
INTEREST INCOME		21	33	109	121
OPERATING EXPENSES		(1,337)	(1,201)	(5,297)	(3,930)
PROFIT FROM OPERATIONS		1,065	351	774	1,738
INTEREST EXPENSE		(26)	(59)	(74)	(168)
PROFIT BEFORE TAXATION		1,039	292	700	1,570
TAXATION	B5	(265)	(42)	(92)	(113)
PROFIT AFTER TAXATION		774	250	608	1,457
ATTRIBUTABLE TO:					
- EQUITY HOLDERS OF THE PARENT		733	250	565	1,457
- MINORITY INTERESTS		41	-	43	-
NET PROFIT FOR THE PERIOD		774	250	608	1,457
Earnings Per Ordinary Share					
- Basic (sen)	B13a	0.70	0.24	0.54	1.46
- 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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holder of the parent ----->					Total Equity
	Distributable			Total	Minority Interests	
	Share Capital	Share Premium	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended 31 December 2006						
As at 1st January 2006	7,830	-	3,707	11,537	-	11,537
Issuance of shares	2,610	5,220	-	7,830	-	7,830
Listing Expenses	-	(1,600)	-	(1,600)	-	(1,600)
Profit after taxation	-	-	1,457	1,457	-	1,457
Interim dividend paid (Tax exempt)	-	-	(835)	(835)	-	(835)
As at 31st December 2006	<u>10,440</u>	<u>3,620</u>	<u>4,329</u>	<u>18,389</u>	<u>-</u>	<u>18,389</u>
12 months ended 31 December 2007						
As at 1st January 2007	10,440	3,620	4,329	18,389	-	18,389
(Loss)/Profit after taxation	-	-	565	565	43	608
Acquisition of a new subsidiary company	-	-	-	-	101	101
As at 31st December 2007	<u>10,440</u>	<u>3,620</u>	<u>4,894</u>	<u>18,954</u>	<u>144</u>	<u>19,098</u>

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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2007

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	01/01/2007 to 31/12/2007	Corresponding period 01/01/2006 to 31/12/2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	700	1,570
Adjustments for:		
Amortisation of prepaid lease assets	21	-
Amortisation of product development cost	511	378
Depreciation of property, plant equipment	901	735
Property, plant and equipment written off	34	-
Interest income	(109)	(121)
Interest expenses	74	168
Operating profit before working capital changes	<u>2,132</u>	<u>2,730</u>
Increase/(Decrease) in working capital		
Inventories	63	11
Trade receivables	1,235	(2,756)
Other receivables	270	484
Trade payables	1,534	(256)
Bills payable	(541)	357
Other payables	(129)	(19)
	<u>2,432</u>	<u>(2,179)</u>
Cash generated in operations	4,564	551
Bank overdraft interest paid	(3)	(25)
Amount paid for taxation	(51)	-
Bill payable interest paid	(13)	(95)
Net cash generated in operating activities	<u>4,497</u>	<u>431</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of prepaid lease assets	(1,005)	-
Purchase of property, plant and equipment	(663)	(1,517)
Research and development expenditure	(1,058)	(1,330)
Interest income	109	121
Acquisition of subsidiaries, net of cash acquired	(1,548)	-
Net cash used in investing activities	<u>(4,165)</u>	<u>(2,726)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Draw down of term loan	352	71
Draw down of lease creditor	1,005	-
Proceeds from issuance of shares	-	7,830
Listing expenses	-	(1,600)
Repayment of term loans	(411)	(151)
Term loan interest paid	(48)	(44)
Repayment to hire purchase creditor	(49)	(28)
Hire purchase interest paid	(6)	(4)
Repayment to lease creditor	(21)	-
Leasing interest paid	(3)	-
Payment of interim dividend	-	(835)
Net cash generated from financing activities	<u>819</u>	<u>5,239</u>
Exchange differences on translation of the financial statement of foreign operations		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,151	2,944
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<u>3,063</u>	<u>119</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u><u>4,214</u></u>	<u><u>3,063</u></u>
Cash and cash equivalents comprise :		
Short term investment	855	1,039
Fixed deposit with licensed bank	1,469	2,527
Cash and bank balances	1,890	68
Overdraft	-	(571)
	<u>4,214</u>	<u>3,063</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 2006 and the accompanying explanatory notes attached to this report.