

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

FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2010

(The figures have not been audited)

## CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT FINANCIAL QUARTER 31/03/2010 Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/09/2009 Audited RM'000
Notes		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,873	4,105
Prepaid lease assets	684	864
Goodwill	3,510	3,510
Product development expenditure	5,029	5,033
	<u>13,096</u>	<u>13,512</u>
<b>CURRENT ASSETS</b>		
Inventories	203	243
Trade receivables	2,167	6,702
Other receivables	231	299
Tax recoverable	-	80
Short term investment	1,005	4
Fixed deposit with a licensed bank	1,553	1,540
Cash and bank balances	1,347	1,400
	<u>6,506</u>	<u>10,268</u>
<b>TOTAL ASSETS</b>	<u>19,602</u>	<u>23,780</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	10,440	10,440
Share Premium	3,620	3,620
Retained Profit	2,278	3,779
<b>Equity attributable to equity holders of the company</b>	<u>16,338</u>	<u>17,839</u>
Minority Interest	13	31
<b>Total equity</b>	<u>16,351</u>	<u>17,870</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	593	626
Hire purchase creditor	17	37
Term loans	103	142
Lease creditor	323	503
	<u>1,036</u>	<u>1,308</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	527	1,231
Bills payable	1,080	1,654
Other payables and accruals	134	508
Hire purchase creditor	40	40
Term loans	73	72
Lease creditor	361	361
Bank overdraft	-	736
	<u>2,215</u>	<u>4,602</u>
<b>Total Liabilities</b>	<u>3,251</u>	<u>5,910</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,602</u>	<u>23,780</u>
Number of ordinary shares at RM0.10 par each ('000)	104,400	104,400
Net Asset per share (Sen)	15.65	17.09

**NOTES:**

*The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying explanatory notes attached to this report.*

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FOR THE SECOND QUARTER OF THE FINANCIAL YEAR ENDING 30 SEPTEMBER 2010

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## CONDENSED CONSOLIDATED INCOME STATEMENTS

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT FINANCIAL YEAR QUARTER 31/03/2010 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER 31/03/2009 RM'000	CURRENT FINANCIAL YEAR TO DATE 31/03/2010 RM'000	PRECEDING FINANCIAL YEAR CORRESPONDING PERIOD 31/03/2009 RM'000
REVENUE	A9	2,046	1,924	4,116	6,404
COST OF SALES		(857)	(1,227)	(2,136)	(5,077)
GROSS PROFIT		1,189	697	1,980	1,327
OTHER INCOME		32	138	78	167
INTEREST INCOME		9	20	16	47
OPERATING EXPENSES		(1,824)	(2,022)	(3,558)	(4,105)
LOSS FROM OPERATIONS		(594)	(1,167)	(1,484)	(2,564)
INTEREST EXPENSE		(32)	(23)	(65)	(96)
LOSS BEFORE TAXATION		(626)	(1,190)	(1,549)	(2,660)
TAXATION	B5	46	48	30	106
LOSS AFTER TAXATION		(580)	(1,142)	(1,519)	(2,554)
ATTRIBUTABLE TO:					
- EQUITY HOLDERS OF THE COMPANY		(558)	(1,102)	(1,501)	(2,483)
- MINORITY INTERESTS		(22)	(40)	(18)	(71)
NET LOSS FOR THE PERIOD		(580)	(1,142)	(1,519)	(2,554)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	(0.53)	(1.06)	(1.44)	(2.38)
- 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 30 September 2009 and the accompanying explanatory notes attached to this report.

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(Incorporated in Malaysia)

**QUARTERLY REPORT**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to equity holder of the parent ----->					
	Distributable					
	Share Capital	Share Premium	Retained Profits	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>6 months ended 31 March 2010</b>						
As at 1st October 2009	10,440	3,620	3,779	17,839	31	17,870
Loss after taxation	-	-	(1,501)	(1,501)	(18)	(1,519)
As at 31st March 2010	10,440	3,620	2,278	16,338	13	16,351
<b>6 months ended 31 March 2009</b>						
As at 1st October 2008	10,440	3,620	4,978	19,038	151	19,189
Loss after taxation	-	-	(2,483)	(2,483)	(71)	(2,554)
As at 31st March 2009	10,440	3,620	2,495	16,555	80	16,635

**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 30 September 2009 and the accompanying explanatory notes attached to this report.

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<b>01/10/2009 to 31/03/2010</b>	Corresponding period <b>01/10/2008 to 31/03/2009</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,549)	(2,660)
Adjustments for:		
Amortisation of prepaid lease assets	180	180
Amortisation of product development cost	309	309
Depreciation of property, plant and equipment	446	504
Gain on disposal of property, plant and equipment	-	(109)
Interest income	(16)	(47)
Interest expenses	64	97
Operating loss before working capital changes	(566)	(1,726)
Changes in working capital		
Decrease inventories	40	-
Decrease/(Increase) in trade receivables	4,535	(1,076)
Decrease in other receivables	57	191
(Decrease)/Increase in trade payables	(704)	1,195
(Decrease)/Increase in bills payable	(574)	2,637
Decrease in other payables	(373)	(41)
	2,981	2,906
Cash generated from operations	2,415	1,180
Bank overdraft interest paid	(4)	-
Taxation refunded	88	-
Bill payable interest paid	(22)	(48)
Net cash generated from operating activities	2,477	1,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(215)	(819)
Research and development expenditure	(305)	(269)
Interest income	16	47
Net cash used in investing activities	(504)	(1,041)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Disposal of office buildings	-	740
Repayment of term loans	(38)	(252)
Term loan interest paid	(5)	(15)
Repayment to hire purchase creditor	(20)	(20)
Hire purchase interest paid	(3)	(3)
Repayment to lease creditor	(180)	(180)
Leasing interest paid	(30)	(30)
Net cash (used in)/generated from financing activities	(276)	240
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,697	331
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,208	4,626
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,905	4,957
<b>Cash and cash equivalents comprise :</b>		
Short term investment	1,005	58
Fixed deposit with licensed bank	1,553	1,526
Cash and bank balances	1,347	3,373
	3,905	4,957

**NOTES:**

1.) The Unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying explanatory notes attached to this report.