

EXTOL MSC BERHAD (643683-U)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	AS AT 31 DEC 2010 (Unaudited) RM'000	AS AT 30 SEP 2010 (Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,615	3,645
Prepaid lease assets		413	503
Goodwill		3,510	3,510
Product development expenditure		4,863	5,009
		<u>12,401</u>	<u>12,667</u>
CURRENT ASSETS			
Inventories		256	135
Trade receivables		1,633	2,199
Other receivables		243	242
Tax recoverable		9	16
Short term investment		1,577	1,981
Fixed deposit with a licensed bank		1,582	1,572
Cash and bank balances		658	578
		<u>5,958</u>	<u>6,723</u>
TOTAL ASSETS		<u><u>18,359</u></u>	<u><u>19,390</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		10,440	10,440
Share premium		3,620	3,620
Retained earnings		1,616	2,063
Equity attributable to owners of the parent		<u>15,676</u>	<u>16,123</u>
Non-controlling interests		25	33
Total equity		<u>15,701</u>	<u>16,156</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		400	372
Hire purchase creditors	B10	26	30
Term loans	B10	44	64
Lease creditor	B10	87	160
		<u>557</u>	<u>626</u>
CURRENT LIABILITIES			
Trade payables		1,264	995
Bills payable	B10	244	897
Other payables and accruals		114	212
Hire purchase creditors	B10	42	52
Term loans	B10	76	75
Lease creditor	B10	361	377
		<u>2,101</u>	<u>2,608</u>
Total Liabilities		<u>2,658</u>	<u>3,234</u>
TOTAL EQUITY AND LIABILITIES		<u><u>18,359</u></u>	<u><u>19,390</u></u>
Number of ordinary shares at RM0.10 par each ('000)		104,400	104,400
Net Asset per share (Sen)		15.02	15.44

NOTES:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2010 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER 31 DEC 2010	CORRESPONDING QUARTER 31 DEC 2009	TO DATE 31 DEC 2010	CORRESPONDING PERIOD 31 DEC 2009
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	1,774	2,070	1,774	2,070
Cost of sales		(764)	(1,279)	(764)	(1,279)
Gross profit		1,010	791	1,010	791
Other income		235	46	235	46
Interest income		21	7	21	7
Operating expenses		(1,660)	(1,734)	(1,660)	(1,734)
Loss from operations		(394)	(890)	(394)	(890)
Interest expenses		(26)	(33)	(26)	(33)
Loss before taxation		(420)	(923)	(420)	(923)
Taxation	B5	(35)	(16)	(35)	(16)
Loss after taxation		(455)	(939)	(455)	(939)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(455)	(939)	(455)	(939)
Profit attributable to:					
- Owners of the parent		(447)	(943)	(447)	(943)
- Non-controlling interests		(8)	4	(8)	4
		(455)	(939)	(455)	(939)
Total comprehensive income attributable to:					
- Owners of the parent		(447)	(943)	(447)	(943)
- Non-controlling interests		(8)	4	(8)	4
		(455)	(939)	(455)	(939)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	(0.43)	(0.90)	(0.43)	(0.90)
- Diluted (sen)	B13b	N/A	N/A	N/A	N/A

NOTES:

1.) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2010 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 ----->					
	Distributable					
	Share Capital	Share Premium	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 December 2010						
As at 1st October 2010	10,440	3,620	2,063	16,123	33	16,156
Total comprehensive income/(loss) for the period	-	-	(447)	(447)	(8)	(455)
As at 31st December 2010	10,440	3,620	1,616	15,676	25	15,701
3 months ended 31 December 2009						
As at 1st October 2009	10,440	3,620	3,779	17,839	31	17,870
Total comprehensive income/(loss) for the period	-	-	(943)	(943)	4	(939)
As at 31st December 2009	10,440	3,620	2,836	16,896	35	16,931

NOTES:

1.) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2010 and the accompanying explanatory notes attached to this report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	01/10/2010 to 31/12/2010	Corresponding period 01/10/2009 to 31/12/2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(420)	(923)
Adjustments for:		
Amortisation of prepaid lease assets	90	90
Amortisation of product development expenditure	154	154
Depreciation of property, plant and equipment	199	208
Interest income	(21)	(7)
Interest expenses	26	33
Operating profit/(loss) before working capital changes	28	(445)
Changes in working capital		
Increase inventories	(121)	(1)
Decrease in trade receivables	566	1,487
(Increase)/Decrease in other receivables	(1)	48
Increase in trade payables	269	169
Decrease in bills payable	(653)	(868)
Decrease in other payables	(98)	(377)
	(38)	458
Cash (used in)/generated from operations	(10)	13
Bank overdraft interest paid	-	(4)
Taxation refunded	-	84
Bill payable interest paid	(5)	(10)
Net cash (used in)/generated from operating activities	(15)	83
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(169)	(17)
Research and development expenditure	(9)	(147)
Interest income	21	7
Net cash used in investing activities	(157)	(157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(19)	(19)
Term loan interest paid	(2)	(2)
Repayment to hire purchase creditors	(14)	(10)
Hire purchase interest paid	(2)	(1)
Repayment to lease creditor	(89)	(90)
Leasing interest paid	(16)	(16)
Net cash used in financing activities	(142)	(138)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(314)	(212)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,131	2,208
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,817	1,996
Cash and cash equivalents comprise :		
Short term investment	1,577	4
Fixed deposit with licensed bank	1,582	1,547
Cash and bank balances	658	1,032
Bank overdraft	-	(587)
	3,817	1,996

NOTES:

1.) The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2010 and the accompanying explanatory notes attached to this report.