

EXTOL MSC BERHAD (643683-U)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2011**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	AS AT 31 MAR 2011 (Unaudited) RM'000	AS AT 30 SEP 2010 (Audited) RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,526	3,645
Prepaid lease assets		323	503
Goodwill		3,549	3,510
Product development expenditure		4,714	5,009
		<u>12,112</u>	<u>12,667</u>
CURRENT ASSETS			
Inventories		165	135
Trade receivables		1,606	2,199
Other receivables		229	242
Tax recoverable		-	16
Short term investment		1,538	1,981
Fixed deposit with a licensed bank		818	1,572
Cash and bank balances		368	578
		<u>4,724</u>	<u>6,723</u>
TOTAL ASSETS		<u><u>16,836</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		904	2,063
Equity attributable to owners of the parent		<u>14,964</u>	<u>16,123</u>
Non-controlling interests		-	33
Total equity		<u>14,964</u>	<u>16,156</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		301	372
Hire purchase creditors	B10	23	30
Term loans	B10	25	64
Lease creditor	B10	53	160
		<u>402</u>	<u>626</u>
CURRENT LIABILITIES			
Trade payables		830	995
Bills payable	B10	107	897
Other payables and accruals		123	212
Hire purchase creditors	B10	32	52
Term loans	B10	76	75
Lease creditor	B10	302	377
		<u>1,470</u>	<u>2,608</u>
Total Liabilities		<u>1,872</u>	<u>3,234</u>
TOTAL EQUITY AND LIABILITIES		<u><u>16,836</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)		14.33	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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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2011
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 MAR 2011	31 MAR 2010	31 MAR 2011	31 MAR 2010
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	1,364	2,046	3,138	4,116
Cost of sales		(507)	(857)	(1,271)	(2,136)
Gross profit		857	1,189	1,867	1,980
Other income		23	32	258	78
Interest income		17	9	38	16
Operating expenses		(1,683)	(1,824)	(3,343)	(3,558)
Loss from operations		(786)	(594)	(1,180)	(1,484)
Interest expenses		(20)	(32)	(46)	(65)
Loss before taxation		(806)	(626)	(1,226)	(1,549)
Taxation	B5	94	46	59	30
Loss after taxation		(712)	(580)	(1,167)	(1,519)
Other comprehensive income		8	-	8	-
Total comprehensive loss for the period		(704)	(580)	(1,159)	(1,519)
Profit attributable to:					
- Owners of the parent		(712)	(558)	(1,167)	(1,501)
- Non-controlling interests		0	(22)	0	(18)
		(712)	(580)	(1,167)	(1,519)
Total comprehensive income attributable to:					
- Owners of the parent		(704)	(558)	(1,159)	(1,501)
- Non-controlling interests		0	(22)	0	(18)
		(704)	(580)	(1,159)	(1,519)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	(0.68)	(0.53)	(1.12)	(1.44)
- 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.

EXTOL MSC BERHAD (643683-U)
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2011
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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
6 months ended 31 March 2011						
As at 1st October 2010	10,440	3,620	2,063	16,123	33	16,156
Total comprehensive income/(loss) for the period	-	-	(1,159)	(1,159)	(8)	(1,167)
Acquisition of non-controlling interests	-	-	-	-	(25)	(25)
As at 31st March 2011	<u>10,440</u>	<u>3,620</u>	<u>904</u>	<u>14,964</u>	<u>-</u>	<u>14,964</u>
6 months ended 31 March 2010						
As at 1st October 2009	10,440	3,620	3,779	17,839	31	17,870
Total comprehensive income/(loss) for the period	-	-	(1,501)	(1,501)	(18)	(1,519)
As at 31st March 2010	<u>10,440</u>	<u>3,620</u>	<u>2,278</u>	<u>16,338</u>	<u>13</u>	<u>16,351</u>

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.

EXTOL MSC BERHAD (643683-U)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2011**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	01/10/2010 to 31/03/2011	Corresponding period 01/10/2009 to 31/03/2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,226)	(1,549)
Adjustments for:		
Amortisation of prepaid lease assets	180	180
Amortisation of product development expenditure	308	309
Depreciation of property, plant and equipment	399	446
Interest income	(38)	(16)
Interest expenses	46	64
Operating loss before working capital changes	(331)	(566)
Changes in working capital		
(Increase)/Decrease in inventories	(30)	40
Decrease in trade receivables	593	4,535
Decrease in other receivables	12	57
Decrease in trade payables	(164)	(704)
Decrease in bills payable	(790)	(574)
Decrease in other payables	(89)	(373)
	(468)	2,981
Cash (used in)/generated from operations	(799)	2,415
Bank overdraft interest paid	-	(4)
Taxation refunded	5	88
Bill payable interest paid	(9)	(22)
Net cash (used in)/generated from operating activities	(803)	2,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(280)	(215)
Research and development expenditure	(14)	(305)
Interest income	38	16
Acquisition of subsidiaries companies	(64)	-
Net cash used in investing activities	(320)	(504)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(38)	(38)
Term loan interest paid	(4)	(5)
Repayment to hire purchase creditors	(27)	(20)
Hire purchase interest paid	(4)	(3)
Repayment to lease creditor	(182)	(180)
Leasing interest paid	(29)	(30)
Net cash used in financing activities	(284)	(276)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,407)	1,697
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,131	2,208
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,724	3,905
Cash and cash equivalents comprise :		
Short term investment	1,538	1,005
Fixed deposit with licensed bank	818	1,553
Cash and bank balances	368	1,347
	2,724	3,905

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.