

EXTOL MSC BERHAD (643683-U)**(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2011**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	AS AT	AS AT
		30 JUNE 2011 (Unaudited)	30 SEP 2010 (Audited)
		RM'000	RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,344	3,645
Prepaid lease assets		232	503
Goodwill		3,549	3,510
Product development expenditure		4,628	5,009
		<u>11,753</u>	<u>12,667</u>
CURRENT ASSETS			
Inventories		389	135
Trade receivables		1,065	2,199
Other receivables		240	242
Tax recoverable		-	16
Short term investment		1,665	1,981
Fixed deposit with a licensed bank		824	1,572
Cash and bank balances		997	578
		<u>5,180</u>	<u>6,723</u>
TOTAL ASSETS		<u><u>16,933</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		931	2,063
Equity attributable to owners of the parent		<u>14,991</u>	<u>16,123</u>
Non-controlling interests		-	33
Total equity		<u>14,991</u>	<u>16,156</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		340	372
Hire purchase creditors	B10	19	30
Term loans	B10	7	64
Lease creditor	B10	11	160
		<u>377</u>	<u>626</u>
CURRENT LIABILITIES			
Trade payables		797	995
Bills payable	B10	300	897
Other payables and accruals		130	212
Hire purchase creditors	B10	15	52
Term loans	B10	74	75
Lease creditor	B10	249	377
		<u>1,565</u>	<u>2,608</u>
Total Liabilities		<u>1,942</u>	<u>3,234</u>
TOTAL EQUITY AND LIABILITIES		<u><u>16,933</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)		14.36	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 QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 JUNE 2011	30 JUNE 2010	30 JUNE 2011	30 JUNE 2010
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	1,987	3,684	5,125	7,800
Cost of sales		(598)	(2,318)	(1,869)	(4,454)
Gross profit		1,389	1,366	3,256	3,346
Other income		252	242	510	320
Interest income		17	20	55	36
Operating expenses		(1,567)	(1,730)	(4,910)	(5,288)
Profit/(Loss) from operations		91	(102)	(1,089)	(1,586)
Interest expenses		(19)	(25)	(65)	(90)
Profit/(Loss) before taxation		72	(127)	(1,154)	(1,676)
Taxation	B5	(45)	29	14	59
Profit/(Loss) after taxation		27	(98)	(1,140)	(1,617)
Other comprehensive income		-	-	8	-
Total comprehensive profit/(loss) for the period		27	(98)	(1,132)	(1,617)
Profit attributable to:					
- Owners of the parent		27	(76)	(1,140)	(1,577)
- Non-controlling interests		0	(22)	0	(40)
		27	(98)	(1,140)	(1,617)
Total comprehensive income attributable to:					
- Owners of the parent		27	(76)	(1,132)	(1,577)
- Non-controlling interests		0	(22)	0	(40)
		27	(98)	(1,132)	(1,617)
Earnings Per Ordinary Share					
- Basic (sen)	B13a	0.03	(0.07)	(1.09)	(1.51)
- 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
9 months ended 30 June 2011						
As at 1st October 2010	10,440	3,620	2,063	16,123	33	16,156
Total comprehensive income/(loss) for the period	-	-	(1,132)	(1,132)	(8)	(1,140)
Acquisition of non-controlling interests	-	-	-	-	(25)	(25)
As at 30th June 2011	<u>10,440</u>	<u>3,620</u>	<u>931</u>	<u>14,991</u>	<u>-</u>	<u>14,991</u>
9 months ended 30 June 2010						
As at 1st October 2009	10,440	3,620	3,779	17,839	31	17,870
Total comprehensive income/(loss) for the period	-	-	(1,577)	(1,577)	(40)	(1,617)
As at 30th June 2010	<u>10,440</u>	<u>3,620</u>	<u>2,202</u>	<u>16,262</u>	<u>(9)</u>	<u>16,253</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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	01/10/2010 to 30/06/2011	Corresponding period 01/10/2009 to 30/06/2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,154)	(1,676)
Adjustments for:		
Amortisation of prepaid lease assets	270	271
Amortisation of product development expenditure	463	463
Depreciation of property, plant and equipment	583	654
Interest income	(55)	(35)
Interest expenses	65	90
Operating profit /(loss) before working capital changes	172	(233)
Changes in working capital		
(Increase)/Decrease in inventories	(253)	33
Decrease in trade receivables	1,133	3,362
(Increase)/Decrease in other receivables	(5)	60
(Decrease)/Increase in trade payables	(197)	767
Decrease in bills payable	(597)	(1,107)
Decrease in other payables	(82)	(372)
	(1)	2,743
Cash generated from operations	171	2,510
Bank overdraft interest paid	-	(4)
Taxation refunded	5	88
Amount paid for taxation	-	(6)
Bill payable interest paid	(14)	(28)
Net cash generated from operating activities	162	2,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(282)	(295)
Research and development expenditure	(81)	(447)
Interest income	55	35
Acquisition of subsidiaries companies	(64)	-
Net cash used in investing activities	(372)	(707)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(58)	(56)
Term loan interest paid	(6)	(8)
Repayment to hire purchase creditors	(48)	(30)
Hire purchase interest paid	(6)	(4)
Repayment to lease creditor	(278)	(271)
Leasing interest paid	(39)	(46)
Net cash used in financing activities	(435)	(415)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(645)	1,438
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	4,131	2,208
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,486	3,646
Cash and cash equivalents comprise :		
Short term investment	1,665	1,014
Fixed deposit with licensed bank	824	1,562
Cash and bank balances	997	1,070
	3,486	3,646

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.