

**EXTOL MSC BERHAD (643683-U)****(Incorporated in Malaysia)****QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2014**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Notes	AS AT	AS AT	AS AT
	31 MARCH 2014 (Unaudited) RM'000	30 SEP 2013 (Audited) RM'000	01 OCT 2012 (Audited) RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1,012	591	2,490
Investment properties	1,409	1,379	-
Prepaid lease assets	-	-	-
Goodwill	3,541	3,541	3,541
Product development expenditure	2,701	2,863	3,708
	<u>8,663</u>	<u>8,374</u>	<u>9,739</u>
<b>CURRENT ASSETS</b>			
Inventories	1,077	1,107	225
Trade receivables	2,906	2,795	3,019
Other receivables	596	755	443
Fixed deposit with a licensed bank	981	981	854
Cash and bank balances	4,629	5,308	6,771
	<u>10,189</u>	<u>10,946</u>	<u>11,312</u>
<b>TOTAL ASSETS</b>	<b><u>18,852</u></b>	<b><u>19,320</u></b>	<b><u>21,051</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	13,896	12,632	12,632
Share premium	4,082	4,168	4,168
Retained (loss)/earnings	(1,372)	148	1,504
<b>Equity attributable to owners of the parent</b>	<u>16,606</u>	<u>16,948</u>	<u>18,304</u>
Non-controlling interests	-	-	-
<b>Total equity</b>	<u>16,606</u>	<u>16,948</u>	<u>18,304</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	500	500	-
Deferred tax liabilities	113	113	254
	<u>613</u>	<u>613</u>	<u>254</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	9	867	1,741
Other payables and accruals	1,038	306	512
Provision for taxation	86	86	224
Borrowings	500	500	-
Lease creditor	-	-	-
	<u>1,633</u>	<u>1,759</u>	<u>2,493</u>
<b>Total Liabilities</b>	<u>2,246</u>	<u>2,372</u>	<u>2,747</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>18,852</u></b>	<b><u>19,320</u></b>	<b><u>21,051</u></b>
	(0)		
Number of ordinary shares at RM0.10 par each ('000)	138,956	126,320	126,320
Net Asset per share (Sen)	11.95	13.42	14.49

**NOTES:**

1.) 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 2013 and the accompanying explanatory notes attached to this report.

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**(Incorporated in Malaysia)**  
**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2014**  
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER 31/03/2014	CORRESPONDING QUARTER 31/03/2013	TO DATE 31/03/2014	CORRESPONDING PERIOD 31/03/2013
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	2,122	5,274	7,363	8,063
Cost of sales		(1,405)	(3,670)	(6,021)	(5,436)
Gross profit		717	1,604	1,342	2,627
Other income		32	43	79	103
Interest income		22	33	47	70
Depreciation and amortisation		(239)	(359)	(543)	(735)
(Loss)/Gain in foreign exchange		(24)	11	(24)	(28)
Other operating expenses		(1,202)	(1,306)	(2,421)	(2,795)
Loss from operations		(694)	26	(1,520)	(758)
Interest expenses		-	(9)	-	(12)
Loss before taxation		(694)	17	(1,520)	(770)
Taxation	B5	-	(10)	-	27
Loss after taxation		(694)	7	(1,520)	(743)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(694)	7	(1,520)	(743)
Loss attributable to:					
- Owners of the parent		(694)	7	(1,520)	(743)
- Non-controlling interest		-	-	-	-
		(694)	7	(1,520)	(743)
Total comprehensive loss attributable to:					
- Owners of the parent		(694)	7	(1,520)	(743)
- Non-controlling interest		-	-	-	-
		(694)	7	(1,520)	(743)
Earnings Per Ordinary Share					
- Basic (sen)	B10a	(0.50)	0.01	(1.09)	(0.59)
- Diluted (sen)	B10b	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 2013 and the accompanying explanatory notes attached to this report.

2.) There is no income/expense in relation to other income including investment income, provision for and written-off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<----- Attributable to equity holder of the parent ----->					
	Share Capital RM'000	Share Premium RM'000	Retained Earnings / (Loss) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<i>Distributable</i>						
<b>Six (6) months ended 31 March 2014</b>						
As at 1 October 2013	12,632	4,168	148	16,948	-	16,948
Issue of share capital	1,264	(86)	-	1,178	-	1,178
Total comprehensive loss for the period	-	-	(1,520)	(1,520)	-	(1,520)
As at 31 March 2014	<u>13,896</u>	<u>4,082</u>	<u>(1,372)</u>	<u>16,606</u>	<u>-</u>	<u>16,606</u>
<b>Six (6) months ended 31 March 2013</b>						
Balance as at 1 October 2012	12,632	4,168	1,504	18,304	-	18,304
Issue of share capital	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(743)	(743)	-	(743)
Balance as at 31 March 2013	<u>12,632</u>	<u>4,168</u>	<u>761</u>	<u>17,561</u>	<u>-</u>	<u>17,561</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 2013 and the accompanying explanatory notes attached to this report.

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**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2014**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>01/10/2013 to 31/03/2014</b>	<b>Corresponding period 01/10/2012 to 31/03/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,520)	(770)
Adjustments for:		
Amortisation of product development expenditure	399	423
Depreciation of property, plant and equipment	145	312
Rental income	(54)	(56)
Interest income	(47)	(70)
Interest expenses	-	12
Operating loss before working capital changes	<u>(1,077)</u>	<u>(149)</u>
Changes in working capital		
Decrease/(Increase) in inventories	30	(241)
Increase in trade receivables	(111)	(1,655)
Decrease/(Increase) in others receivables	159	(382)
(Decrease)/ Increase in trade payables	(858)	1,593
Increase/(Decrease) in other payables	732	(223)
	<u>(48)</u>	<u>(908)</u>
Cash used in operations	(1,125)	(1,057)
Bills payable interest paid	-	(11)
Net cash generated from/(used in) operating activities	<u>(1,125)</u>	<u>(1,068)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from issuance of shares	1,178	-
Purchase of property, plant and equipment	(597)	(53)
Product development expenditure	(236)	-
Rental income	54	56
Interest income	47	70
Placement of fixed deposits	-	(113)
Net cash (used in)/generated from investing activities	<u>446</u>	<u>(40)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to hire purchase creditor	-	(7)
Hire purchase interest paid	-	(1)
Net cash used in financing activities	<u>-</u>	<u>(8)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(679)	(1,116)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	<u>6,289</u>	<u>6,771</u>
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u><u>5,610</u></u>	<u><u>5,655</u></u>
<b>Cash and cash equivalents comprise :</b>		
Fixed deposit with licensed bank	981	-
Cash and bank balances	4,629	5,655
	<u><u>5,610</u></u>	<u><u>5,655</u></u>

**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 2013 and the accompanying explanatory notes attached to this report.