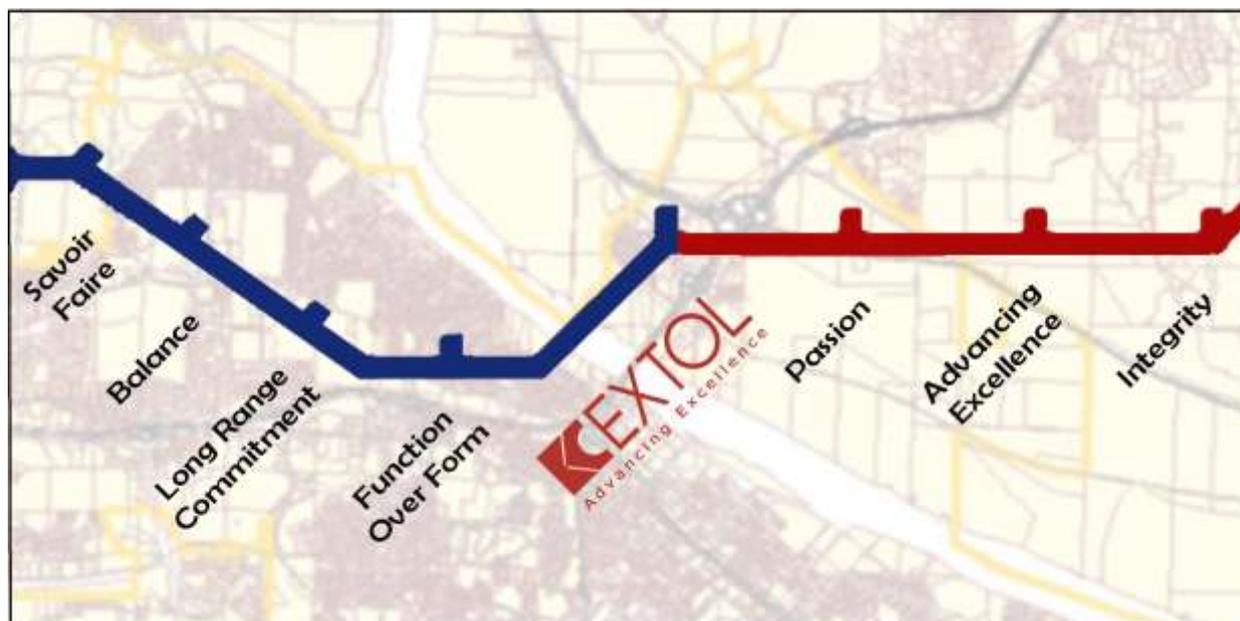




Extol MSC Berhad
(643683 - U)

Annual Report 2012

Extol's Core Values



What makes Extol unique is our core values and how we relentlessly build our business upon them day after day. We hold on to our values as it is a way for us to leave behind a lasting legacy to our valued customers, business partners and shareholders. A Company without values has no substance and a firm foundation to innovate and exist.

SAVOIR FAIRE

In a world where fairness & humility seems to be sparse, we all have to do our part to treat each other fairly, justly, with humility and respect.

- Humility (no bragging rights here)
- Respect
- Treat everyone fair and equal

Reduce hierarchy and the concept of “sucking up to the boss”

“Treat others like you would expect to be treated”

BALANCE

Conflicts, critics, difference in culture, ideas, expectations and other social characteristics will always be a challenge for any company in the global economy. The key is to first understand the rational behind these differences and accept it.

- Give & take. One shouldn't merely give or always take.
- Tolerance
- Compromise & flexibility. Do NOT confuse this value for:
 - Easygoing
 - Lenient
 - Careless
 - Negligent

“Finding a common ground”

We must understand that even too much a good thing is bad. And that there's an opportunity that lies behind every problem. There's also a cost behind every opportunity. In the eastern culture, they call this the “Ying-Yang”

Extol's Core Values (Cont'd)

LONG RANGE COMMITMENTS

Extol as an organization has been around longer than any one person and will continue to exist and grow.

- Care for the community
- Bigger than ourselves
- Perseverance (Keizoku – Chikосу)
- Favor long-term over short-term
- Don't just take and run

“We must always consider the long term view of the work we do”

FUNCTION OVER FORM

If a decision has to be made, choose function over form. However, when we favor function over form, we must not neglect form or structure.

Favor substance over form. “not being plastic”, “superficial” or “shallow”

However, we've learnt from the past that we cannot neglect form as its both the form and function that makes something whole.

“Favor substance over structure”

PASSION

We have learnt that when we are able to align passion, capability & demand; normal people can produce extraordinary performance.

- Do it because you enjoy doing it
- Do it because it feels right
- Do it because it's the right thing to do
- Do it because it's going to matter
- Do it because we believe in it

“Some call it: Fire in the belly”

ADVANCING EXCELLENCE

How do ordinary people achieve the extraordinary? How do we consistently advance excellence, from good to great?

- Don't give problems, give solutions
- Believe we can always do better
- Being original. There's no point in doing something that's already been invented. If something's worth doing, we should be able to do it better, or cheaper, or more efficient or faster, etc...It also means we shouldn't be resting on our laurels. Don't be complacent.

“Not satisfied with the status-quo”

INTEGRITY

The underlying principle is to be scientific. What this means is we have to be as transparent as possible with the work we're engaging in. This would translate to:

- Being as accurate as we can. If we propose a solution, we should include its limitations and assumptions and educate the public about its shortcomings as much as its benefits
- Being transparent in projects. We have to update and be transparent and report issues on a timely manner
- Understanding scientific, research and testing process and the concept of biases and error in testing

“Understand and live by scientific principles”



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CORPORATE INFORMATION

BOARD OF DIRECTORS	<p>Dato' Ahmad Bin Ismail Independent Non-Executive Chairman</p> <p>Mohd Badaruddin Bin Masodi Chief Executive Officer / Deputy Executive Chairman</p> <p>Mohd Faizal Bin Ahmad Mahidin Executive Director</p> <p>Ismawadee Bin Ismail Independent Non-Executive Director</p> <p>Mohd Fadzli Bin Ibrahim Independent Non-Executive Director</p> <p>Ku Mun Fong Independent Non-Executive Director</p>
AUDIT COMMITTEE	<p>Ismawadee Bin Ismail (Chairman) Independent Non-Executive Director</p> <p>Dato' Ahmad Bin Ismail Independent Non-Executive Chairman</p> <p>Mohd Fadzli Bin Ibrahim Independent Non-Executive Director</p>
NOMINATION COMMITTEE	<p>Ku Mun Fong (Chairman) Independent Non-Executive Director</p> <p>Mohd Fadzli Bin Ibrahim Independent Non-Executive Director</p> <p>Ismawadee Bin Ismail Independent Non-Executive Director</p>
REMUNERATION COMMITTEE	<p>Mohd Fadzli Bin Ibrahim (Chairman) Independent Non-Executive Director</p> <p>Ismawadee Bin Ismail Independent Non-Executive Director</p>
COMPANY SECRETARIES	<p>Wong Wai Foong (MAICSA 7001358) Wong Peir Chyun (MAICSA 7018710)</p>
REGISTERED OFFICE	<p>Level 18, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: (603) 2264 8888 Fax: (603) 2282 2733</p>
HEAD/MANAGEMENT OFFICE	<p>Unit G-1, Ground Floor, Wisma UOA Pantai No. 11, Jalan Pantai Jaya 59200 Kuala Lumpur Tel: (603) 2240 0008 Fax: (603) 2240 0002 E-mail: info@extolcorp.com</p>
R&D CENTRE	<p>C-G-18, Ground Floor, Block C SME Technopreneur Centre Cyberjaya 2270 Jalan Usahawan 2 63000 Cyberjaya Selangor Darul Ehsan Tel: (603) 8319 5484</p>

CORPORATE INFORMATION (Cont'd)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
(to whom shareholders may address their concerns)

Ismawadee Bin Ismail
c/o Extol MSC Berhad
Unit G-1, Ground Floor, Wisma UOA Pantai
No. 11, Jalan Pantai Jaya
59200 Kuala Lumpur
Tel: (603) 2240 0008 Fax: (603) 2240 0002
E-mail: walisongo.adee@gmail.com

AUDITORS

CAS & Associates (AF1476)
No. 109, 1st Floor, Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7729 2381 Fax: (603) 7729 2389

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: (603) 2264 3883 Fax: (603) 2282 1886

SOLICITOR

Cheang & Ariff
39 COURT @ Loke Mansion
No. 273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel: (603) 2691 0803 Fax: (603) 2693 4475

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Am Investment Services Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : EXTOL
Stock Code : 0119
Sector : Technology

CORPORATE WEBSITE

<http://www.extolcorp.com>

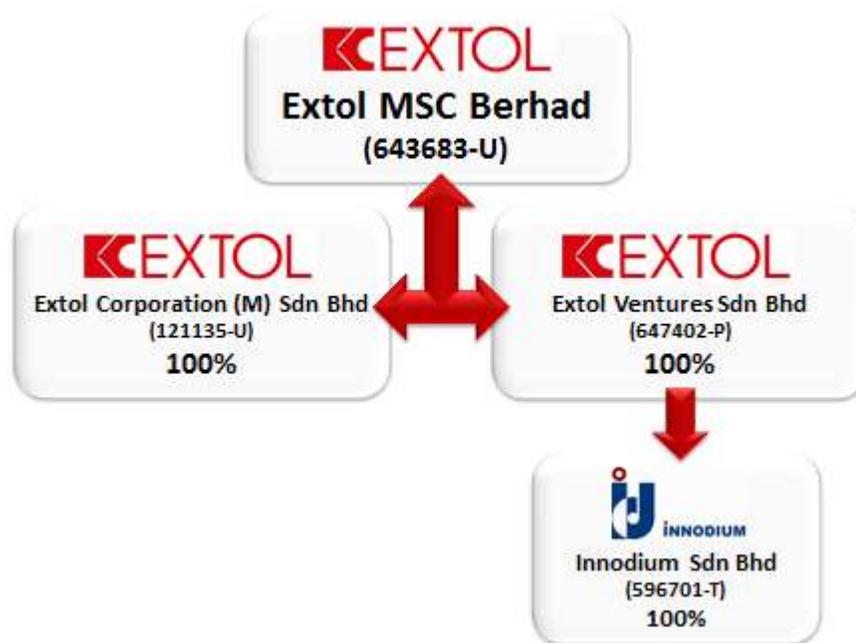
Company Overview

Extol MSC Bhd (“Extol”) is a leading ICT security solutions provider offering a comprehensive suite of security solutions to corporations across various industries in Malaysia and beyond. The Company’s success lies in the ability to consistently develop industry-leading security solutions that meet the challenges of escalating security threats. With the capability of Managed Security Services, Security Operation Center, Security Systems Integration, Security Incidence and Event Monitoring, Enterprise Security Outsourcing, Security Assessment, Consultancy Services and Secured Enterprise Applications, organisations can depend on Extol to protect their critical business data and IT infrastructure.

Established in 1984 as a distributor for ICT hardware and software products, Extol Corporation (M) Sdn. Bhd. (a subsidiary of Extol MSC Bhd), has evolved in 1992 when it became the first Malaysian company to develop an award winning anti-virus software called Armour. A strategic partnership with Norman DSS (a Norwegian anti-virus software developer) was established for technological exchanges in terms of anti-virus application enhancements.

Extol businesses have further evolved over the years by offering a full suite of enterprise security solutions and services across multiple corporations and government organizations. The Company operate a world-class Security Operation Center (SOC) that currently manages our customers critical security infrastructure locally as well as globally. We have extended our expertise and solutions portfolio to cloud computing with security visualization dashboard, security monitoring and security awareness program. We are strengthening our position as a global player in line with the Government’s aspirations to create Malaysia companies with global reach. The Company have successfully researched and developed solutions for multi-factor authentication, modular access management system and facial verification and recognition based on neural/artificial intelligence.

To strengthen our expansion plan into key international markets, Extol has forged strategic partnerships with global Information Technology leaders: Cisco, Juniper, Novell, Microsoft, Fortinet, McAfee, Checkpoint, Dell and HP. Leveraging on our partner’s extensive market reach and superior technologies, Extol can accelerate its expansion plan in a more structured and cost effective manner. The strategic partnerships will explore business activities such as co-hosting seminars, co-hosting road shows, co-sponsored events, and product bundles that tap into potential opportunities in the Association of Southeast Asian Nations (“ASEAN”), Middle East, China, and Europe regions.



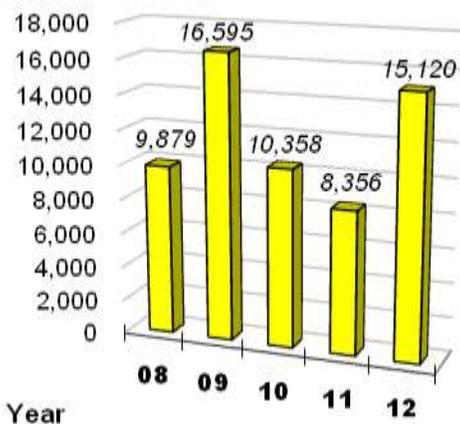
Group Financial Highlights

	FYE 2008 30.09.2008 ⁽¹⁾ RM'000	FYE 2009 30.09.2009 RM'000	FYE 2010 30.09.2010 RM'000	FYE 2011 30.09.2011 RM'000	FYE 2012 30.09.2012 RM'000
Revenue	9,879	16,595	10,358	8,356	15,120
Profit/(Loss) Before Taxation	72	(1,504)	(1,982)	(610)	184
Profit/(Loss) Attributable to Owners of the Parent	84	(1,199)	(1,716)	(631)	72
Total Assets	23,118	23,780	19,390	18,088	21,051
Shareholders' Equity	19,189	17,870	16,156	15,492	18,304
	Sen	Sen	Sen	Sen	Sen
Earnings/(loss) per share	0.1	(1.2)	(1.6)	(0.6)	0.1
Net assets per share	18.2	17.1	15.4	14.8	14.5

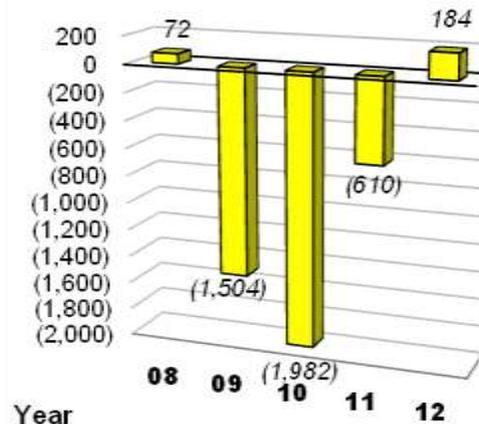
Notes

(1) On 26 March 2008, the Company had announced the change in FYE from 31 December to FYE 30 September and thus the FYE 2008 would run from 1 January 2008 to 30 September 2008 covering a period of nine (9) months, and thereafter, the FYE of Extol shall be 30 September, of each subsequent year.

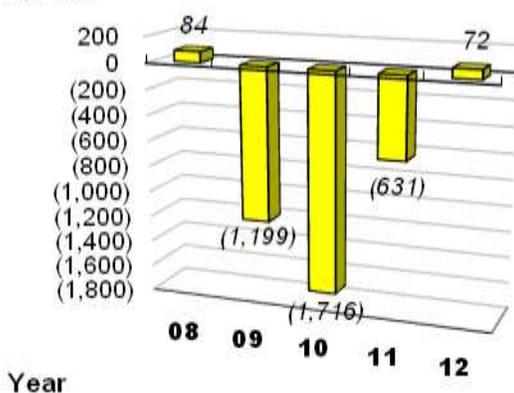
**Revenue
RM'000**



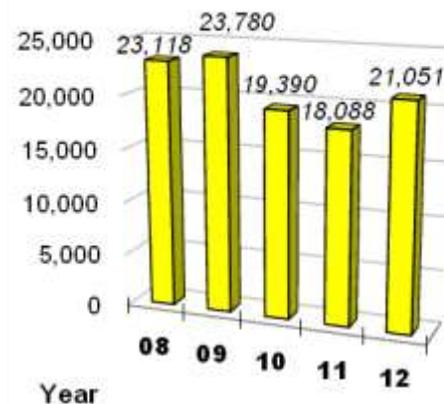
**Profit/(Loss) Before Taxation
RM'000**



**Profit/(Loss) Attributable to Owners of the Parent
RM'000**



**Total Assets
RM'000**



Corporate Milestone

2012

- Extol was awarded the Selangor WIFI Project which cover a total number of 112 site locations for the entire state of Selangor.

2011

- Extol was awarded the SMI - PSMB 2011 Conference & Exhibitions Awards Gallery.
- Re-evaluated and maintained 3 STAR* Rating by TÜV Rheinland STAR*.

2010

- Extol was awarded by MDEC in Marketing: Product Brand Development.
- Achieved 3 STAR* Rating by TÜV Rheinland STAR*.
- Recertified to Quality Management Systems MS ISO 9001:2008.
- Innovative Company of the Year award from CyberSecurity Malaysia.
- Appointed as Microsoft Silver Partner.

2009

- Extol was awarded the Capability Maturity Model Integration (CMMI) Level 3 certificate and recognized by MDEC under the Capability Development Program.
- Appointed as authorized reseller for Google.
- Appointed as strategic security partner for Microsoft.

2008

- Extol was awarded for Software Testing (CDP Software Testing) by MDEC under the Capability Development Program.
- In appreciation of Extol's valuable contribution, for four consecutive years, Nokia awarded Extol the Outstanding Performance Security Partner Award.

2007

- Extol was awarded the Gold Winner of Business Summit Award.
- Granted the MS ISO 9001:2000 Quality Management Systems and IQ Net Certification by SIRIM.
- A winner in the Deloitte Technology Fast 500 Asia Pacific Award - the region's most comprehensive and respected ranking of fast-growing technology companies. Extol at rank 53 has topped 17 other Malaysian companies.

2006

- Extol MSC Bhd achieved ISO27001:2005 Certification.
- Extol MSC Bhd listed on ACE Market (formerly known as MESDAQ Market) of Bursa Malaysia Securities Bhd.

2005

- Extol Corporation (M) Sdn Bhd awarded the SMI - Maybank Rising Star from SMI Recognition Award Series 2004.

2004

- Extol MSC Bhd granted MSC-status by Multimedia Development Corporation (MDEC).
- Extol MSC Bhd has made its own Managed Security Services (MSS) operational inclusive of 24x7 remote surveillance systems and a wide-range of security services.

2002

- First to host a Capture the Flag event in Asia.
- Recipient of outstanding sales achievements of Checkpoint internet security solutions.

Corporate Milestone (Cont'd)

2001

- Extol Corporation (M) Sdn Bhd launches its comprehensive anti-virus services, CAViS, a first initiative in providing security services.

2000

- Appointed as authorized reseller partner for Symantec, Nokia, Checkpoint, Ubizen, Sun and Hewlett Packard.

1999

- Extol Corporation (M) Sdn Bhd selected as one of the most Strategic 100 IT Companies that matters most to Asia Pacific under MIS Asia 1999.

1998

- Extol Corporation (M) Sdn Bhd was listed as one of the most Strategic 100 IT Companies that matters most to Asia Pacific under MIS Asia 1998.
- Armour anti-virus selected as the official anti-virus solution for the Kuala Lumpur 98- XVI Commonwealth Games.

1997

- Extol Corporation (M) Sdn Bhd honored with the prestigious IT achievement 'Persatuan Industri Komputer' awarded by PIKOM.
- Extol Corporation (M) Sdn Bhd awarded Top Channel Partner and Top New Channel Partner of supplying Hewlett Packard system by Sapura Systems Malaysia.

1996

- Introduced enterprise-wide license of Armour anti-virus to the U.S Department of Energy through Norman.
- First in Malaysia to introduce security assessment, security policy review and design to Telekom Malaysia Berhad.

1995

- The US Department of Defense purchased 1.5 million units of Armour through our technology partner, Norman.

1994

- Formed strategic alliance with Norman as its technology partner for bi-directional technology transfer of anti-virus solutions.

1993

- Awarded 'Best Reseller' for Trend AV by Trend Microsystems.

1992

- Development of "Armour" anti-virus software.

1989

- Appointed sole distributor for Trend AV.

1984

- Inception of Extol Corporation (M) Sdn Bhd.

Why Extol?

1) Customer Intimacy

Our mission emphasises on delivering quality and innovative security solutions to meet your customised requirements on ICT security infrastructure.

We strive to provide greater value added propositions in our security solutions. With our international technology partners, and strong associations within the local computer hardware industry, we are capable of providing security solutions in the most effective manner to suit all requirements, without compromising on security features.

2) Unprecedented Support

Our team of engineers provides you with optimum support for products and network environments including our own range of managed security services for pre-implementation, implementation, post-implementation and support and maintenance stages of security network services, 24 hours a day, 7 days a week.

3) Comprehensive Solutions

We are your ideal preference and this translates into direct advantages:

- a) Our timely and efficient implementations minus the hassle of incompatibilities;
- b) Your own personal support and maintenance team ensuring standards are met and maintained; and
- c) Simple and hassle-free evolution and scalability of your required network through our proven integration capabilities.

4) Dedicated Account Management

A dedicated account manager, just for you, is responsible for monitoring your account and dealing with all aspects of your maintenance contract. This ensures all issues are dealt with expediently. Our focus is a continued and a mutually successful partnership with our customers.

5) Commitment to Standards

In compliance with international standards we are certified with the ISO 27001:2005, the Information Security Management Standard (ISMS) certification, a risk management plan defining the management standard approach to security issues and measures. This certification incorporates the security framework standards set out in ISO17799 and BS7799 and involves setting up proper management corporate governance to monitor and control internal security infrastructure, minimising business risk and ensuring the security infrastructure continues to fulfil customers' and legal requirement. Extol obtained the accreditation from SIRIM, the MS ISO 9001:2000 Quality Management Systems and IQ Net Certification since December, 2007, and now is accredited to the MS ISO 9001:2008 in areas of software design, development, installation, testing, commissioning, maintenance and also in Extol's Managed Security Services. In February 2009, Extol had completed the Capability Maturity Model Integration ("CMMI") programme and is now matured to Level 3. CMMI is a framework that describes the key elements of an effective software development and maintenance process. The CMMI covers practices for planning, software engineering and managing software development and maintenance of software after implementation.

Why Extol (Cont'd)?

6) Governance, Risk and Compliance

Our quality assurance is designed with standards and methodology which make us stand out among our competitors:

- a) Objectivity: implementing all that is necessary to complete our assignment successfully;
- b) Assurance: ensuring our assignment surpasses the expected requirements;
- c) Timeliness: making certain our assignment is completed in stipulated time;
- d) Cost: ensuring our assignment is completed within budget;
- e) People: setting the right people in the right place through proper training and upgrading of skills;
- f) Strategic Partnerships: determining the right business partners to effectively match our assignment's requirements; and
- g) Communication: establishing accurate and appropriate generation and dissemination of our assignment information.

7) Highly Established Customer Base

Throughout the years, we take pride in our reputable customer base. Two thirds of the Malaysian financial institution market choose us for their peace of mind, protecting networks of up to 20,000 users.

As an innovator with strong local presence and excellent support, we are the integrator of choice for your critical security implementation and incident response, offering meticulous service, satisfaction guaranteed.

Customer benefit is our endeavour at Extol MSC Bhd. Our professional expertise is reflected through the depth of experience of our engineers, who promptly and efficiently counsel, manage, maintain and support your security infrastructure:

- a) System Integrity Monitoring;
- b) Plan Development;
- c) Vulnerability Probe and Assessment;
- d) Patch Management;
- e) Infrastructure Review;
- f) Internet Gateway Management;
- g) Threat Profile;
- h) Forensics and Incidence Response; and
- i) Advisory and Consultancy.

2012 Corporate Events

IT Governance, Assurance & Security Conference 2012

Date : 10-11, July 2012

Venue : One World Hotel, Petaling Jaya.

Extol participated in the 11th annual IT Governance, Assurance and Security Conference held at the One World Hotel, Petaling Jaya which organised by ISACA and MNCC.

It's designed for progressive IT and business leaders, the conference addresses topics at a strategic level, giving insights needed to develop strategies for effective integration of business and technology.



GITEX International Conference & Exhibition 2012

Date : 14-18, October 2012

Venue : Dubai, UAE

GITEX is the largest ICT conference & exhibition in the Middle East, North Africa and South Asia Region. Focused on providing exhibitors with high Return of Investment ("ROI") through direct business opportunities with decision makers, GITEX has maintained its position as the industry's trend setting authority.

GITEX continually identifies the hottest global IT trends and incubates these into the event either as new sectors or conference programmes. GITEX has enabled new companies to participate in identified trends as well as giving visitors the opportunity to engage, learn and implement the advances in the industry.



2012 Corporate Events

BankTech Conference & Exhibition 2012

Date : 27-28, November 2012

Venue : Kuala Lumpur Convention Centre (KLCC), Kuala Lumpur

BankTech Asia 2012 is Asian's largest and most dynamic technology event, providing the perfect corporate interface venue for new technology and services in banking industry, BankTech Asia 2012 welcomes all bankers and industry audiences, including international and local banking vendors, product developers and business partners to preview the latest offering in the market.

Asia's premium Banking Technology will offer a unique platform exclusively dedicated to interactively generate and discuss back-end innovation strategies to secure Mobility, Flexibility and Security in tomorrow's banking market.



CSM- ACE Conference & Exhibition 2012

Date: 6-7, November 2012

Venue: Double Tree Hilton Hotel, Kuala Lumpur

The CSM-ACE 2012 is an annual industry conference that shapes the regional information security landscape. CSM-ACE bring together some of the most influential and innovative minds in business, government and academia, as well as key information security players to exchange policies and ideas on technology. The theme of CSM-ACE 2012 is "CyberSecurity Risk & Compliance for Economic Transformation".

As a result of the recent National Transformation Program, cyber security has been identified as a potential sector for growth. Through the adoption and compliance of cyber security standards; the nation's cyber risks are mitigated. This also gives tremendous potential for economic activity such as the creation of number of jobs and business opportunity.



2012 Corporate Events

Extol Family Day 2012

Date : 26-27, May 2012

Venue : Sungkai, Perak

Extol organized a Family Day outing for its staff. This was an opportunity for employees to take a break from their hectic work schedule and to spend some quality time with their family and friends.

On the other hand, employees will also learn to work together as a team, utilizing available resources and focusing on achieving the company's shared goals.

This is to promote a balance work life and ways to maintain harmony and to reduce stress and increase productivity, both at work and home.



Extol Raya Open House 2012

Date : 11 September 2012

Venue : Tropicana Golf & Country Resort, Petaling Jaya

After a successful outreach event last year, we're opening our doors again. We've extended the invitation to all our partners, clients, Extol's staff and also special guests from "Pusat Jagaan Telaga Kasih Nur Muhammad" for another Ramadan Open House.

This is to encourage and to create a bond between the organization, friends and family members.



Corporate Social Responsibility

Blood Donation Campaign 2012

Date : 21 March 2012

Venue : Extol MSC @ Wisma UOA Pantai

Extol's Annual Blood Donation Campaign has been a credible success. It has been an honour to assist the donors as well as to serve the community.

The National Blood Bank Staff arrived at 10a.m. to set-up the blood donation in Extol's Foyer. By 10.30a.m. generous donors were already queuing to do their bit for the community. We would like to thank the management of UOA Pantai for helping us publicize the campaign.



Rescue, Recycle and Reduce

Extol has embarked on a "Save the Environment" drive in its effort to reduce wastage. Employees are encouraged to reduce energy consumption, like turning off electricity power when not in use, copy and print both sides of paper, use recycle paper and to use water sparingly. A recycling program is adapted where employees bring in items for recycling. Paper products and other materials which are suitable for recycling are also collected and sent for recycling.

By doing so, Extol is also encouraging its employees to extend this practise beyond the walls of its organisation.



DIRECTORS' PROFILE



DATO' AHMAD BIN ISMAIL
59 Years of Age, Malaysian
Independent Non-Executive Chairman

Dato' Ahmad was appointed to the Board on 23 May 2012 as an Independent Non-Executive Chairman. He is also the member of the Audit Committee of the Company.

He graduated with Bachelor of Social Science (Hons), majoring in Political and Rural Studies from Universiti Sains Malaysia in 1977. He joined the Public Service Department as an Assistant District Officer/Secretary to the District Council of Kuala Pilah from year 1977 to 1984.

Throughout his career with the Public Service Department, Dato' Ahmad was attached with various departments and ministries. Amongst his salient achievements are as an Assistant Director for Human Resources Department, Ministry of Human Resource and Deputy Director of Immigration Department, Ministry of Home Affairs. He was appointed as the Immigration Representative for Malaysian

Industrial Development Authority (MIDA) and Immigration attaché at Consulate of Malaysia in Hong Kong. He was also appointed as the Secretary for the Police Force Commission and the Principle Secretary for Division of Security, Ministry of Home Affairs from year 2002 to 2008.

Dato' Ahmad was awarded the A.M.P in year 2006, A.M.N in year 2008 and D.I.M.P in year 2010. Before his retirement in December 2011, he was the Director of Division of Foreign Workers, Immigration Department, Ministry of Home Affairs Malaysia.

Dato' Ahmad recorded 100% attendance at the Board Meetings since his date of appointment for the financial year ended 30 September 2012.

MOHD BADARUDDIN BIN MASODI
49 Years of Age, Malaysian
Chief Executive Officer / Deputy Executive Chairman

Mohd Badaruddin Bin Masodi was appointed to the Board on 25 April 2011 as the Deputy Executive Chairman. He was re-designated to Deputy Executive Chairman cum Chief Executive Officer on 20 May 2011.

He holds an Advanced Diploma in Accountancy from Universiti Teknologi MARA. He is also a Chartered Certified Accountants and registered with the Malaysian Institute of Accountant (MIA).

He held various major positions while he was with Sime Bank Berhad from 1985 to 1994. He then joined Maybank Group in 1994. He left the banking industry in year 2001 to venture into his own business.

En. Mohd Badaruddin attended all the five Board Meetings held during the financial year ended 30 September 2012.



DIRECTORS' PROFILE (Cont'd)



MOHD FAIDZAL BIN AHMAD MAHIDIN
41 Years of Age, Malaysian
Executive Director

Mohd Faidzal Bin Ahmad Mahidin was appointed to the Board on 29 August 2011 as an Executive Director.

He holds a BBA (Hons) Degree in Operations Management and has vast experience in the oil and gas and maritime service industries. Currently, he is also the Managing Director of Tanjong Agas Supply Base & Marine Services Sdn Bhd developing Tanjong Agas Oil & Gas and Logistics Industrial Park in Pekan, Pahang.

En. Mohd Faidzal attended all the five Board Meetings held during the financial year ended 30 September 2012.

ISMAWADEE BIN ISMAIL
44 Years of Age, Malaysian
Independent Non-Executive Director

Ismawadee Bin Ismail was appointed to the Board on 20 May 2011 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees of the Company.

He is a member of Malaysian Institute of Accountants (MIA) and member of Certified Practising Accountant of CPA Australia Ltd. He has over 18 years experience in providing audit, account, taxation and business advisory services to a wide range of Malaysian and multinational clients.

Further, he has wide range of experience in handling the audits of various organizations which includes those in the telecommunication, manufacturing, services and construction industries in Malaysia.

En. Ismawadee attended 4 out of 5 Board Meetings held during the financial year ended 30 September 2012.



DIRECTORS' PROFILE (Cont'd)



MOHD FADZLI BIN IBRAHIM
57 Years of Age, Malaysian
Independent Non-Executive Director

Mohd Fadzli Bin Ibrahim was appointed to the Board on 5 January 2006 as an Independent Non-Executive Director. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of the Company.

He graduated with a Diploma in Banking from Universiti of Technology Mara in 1976 and Bachelor of Business Administration (Finance) from Western Michigan University, US in 1981.

He started his career in Bank Negara Malaysia in 1976 as an executive. After he attained his degree, he started working with Malaysian International Merchant Bankers Berhad ("MIMB") as an assistant manager in 1982 in the field of corporate finance. In 1984, he left MIMB to join Malaysian International Finance Berhad, a subsidiary of MIMB for 8 years before persuing his own business in 1992.

Currently, he sits on the board of directors of Early Impression Sdn Bhd specialising in pre-school education and Elite Project Management Sdn Bhd specializing in aviation, homeland security and project consulting.

En. Mohd Fadzli attended all the five Board Meetings held during the financial year ended 30 September 2012.

KU MUN FONG
43 Years of Age, Malaysian
Independent Non-Executive Director

Ku Mun Fong was appointed to the Board on 25 April 2011 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee of the Company.

He is a fellow member of The Association of Chartered Certified Accountants (ACCA). His past 18 years experiences includes auditing and corporate finance. He has nearly 16 years in Corporate Finance of Investment Banks and Stockbroking Company. Presently, he is the head of corporate finance department of TA Securities Holdings Berhad.

Mr. Ku Mun Fong attended 4 out of 5 Board Meetings held during the financial year ended 30 September 2012.



DIRECTORS' PROFILE (Cont'd)

Other Information:

1. Conflict of Interest

None of the Directors have any conflict of interest with the Company.

2. Convictions for Offences

None of the Directors have been convicted for any offence for the past 10 years other than traffic offences, if any.

3. Directorship in other public companies

None of the Directors have any directorship in other public companies.

4. Family relationships

None of the Directors have any family relationships with any other Directors and/or substantial shareholders.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of Extol MSC Berhad and the Group for the financial year ended ("FYE") 30 September 2012.

In its first full year in charge the management team has made excellent progress in implementing the strategy laid out in last year's annual report and driving improvement in processes and capability.

As a result both unit revenues and costs have improved to drive a substantial improvement in profitability and returns.

Financial Performance

For the FYE 30 September 2012, the Group recorded revenue of approximately RM15.1 million, and incurred consolidated profit before taxation of approximately RM0.2 million as compared to a revenue of approximately RM8.4 million and loss before taxation of approximately RM0.6 million recorded in the previous financial year. The revenue of the Group for the current year has improve by 80.9% as compared to the previous financial year. The increase in revenue was attributed to the higher contribution of proprietary solutions from overseas as well as local customers. The profit performance of the Group was in line with the increase in revenue. We are building from a strong and stable financial base, a foundation that has strengthened despite the challenges of the last three years.

Managed Security Services (MSS)

The Group remains committed to further enhance its position as the country's leading Managed Security Services Provider (MSSP). The Group is embarking on an enhancement plan for Managed Security Services Unit (MSS) to further upgrade the technical resources and capabilities of the Security Operation Center (SOC). The MSS Service Delivery and Technical Delivery resources and processes will be realigned to better manage our customers Service Level Agreements (SLAs) and deliverables.

Research and Development

The Group will also continue the effort to further commercialize our products such as ePassport, eSIRON and face verifications. The research & development unit resources will also be partly re-align to MSS future product development requirement and joint product collaboration.

Prospects

The Group is embarking on executing plans to further increase the range of innovative solutions and services to current and new market segment. The Group have started building the foundation to become a leading full-fledged Managed Services Provider (MSP).

The Group is setting up a Secured Cloud Data Center to deliver not just typical data center services but mainly to offer niche services such Security as a Service (SECaaS), anti-DDOS, encryption, secured disaster recovery and remote backup solutions. The Group's primary SOC and Network Operation Center (NOC) will be re-located to the new data center. It has also setup a new Managed Infrastructure Services (MIS) business unit to effectively engage network, infrastructure and data center projects. The Group is also planning to expand the current services offering to include security training and education.

The Group recognized the growing importance of the overseas market and as such, the Overseas Business Unit (OBU) operations will be further enhanced to better manage the customers and opportunities. The Group will continue to increase and improve the resources required to better engage the overseas market. OBU will initiate several strategic business collaborations especially for the Middle East market.

Premised on the above and barring any unforeseen circumstances, the Board expects the financial performance of the Group to improve in the FYE 30 September 2013.

Chairman's Statement (Cont'd)

Appreciation

On behalf of my fellow Board members, I would like to express sincere appreciation to our shareholders, management, staff, valued clients and business partners for their commitment, contributions and support over the past year. In spite of internal and external challenges, stakeholders did their best to surmount them and to bring the Group to a position of greater strength and opportunities.

DATO' AHMAD BIN ISMAIL

Independent Non-Executive Chairman
18 February 2013

Corporate Governance Statement

The Board is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group. In this respect, the Board is pleased to present the manner in which it has applied, wherever practical and reasonable, the principles and best practices articulated in the Malaysian Code on Corporate Governance 2012 ("the Code") throughout the FYE 30 September 2012.

A. Directors

1. Composition of Board

The Board consists of six (6) members, comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors. The current Board composition complies with the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad. A brief profile of each Director is set out on pages 13 to 16 of this Annual Report.

The composition of the Board reflects a balance of the Executive and Non-Executive Directors. The Executive Directors contribute significantly in areas such as performance monitoring, allocation of resources as well as improving governance and controls. The Independent Non-Executive Directors fulfil an independent role in corporate accountability through their objective participation in the deliberations of the Board and the exercise of independent judgement.

The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

The current Board membership is also well represented by individuals with diverse professional backgrounds and experience such as in areas of technology, finance, management and economics.

In addition, the Board has identified En. Ismawadee Bin Ismail, the Senior Independent Non-Executive Director, as the Director to whom any queries or concerns may be conveyed. En. Ismawadee can be contacted by post at Unit G-1, Ground Floor, Wisma UOA Pantai, No. 11, Jalan Pantai Jaya, 59200 Kuala Lumpur or at fax 603-2240 0002 or email at walisongo.adee@gmail.com.

The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

2. Board Meetings

The Board is primarily responsible for the strategic directions of the Group and meets at least four (4) times a year at quarterly intervals, with additional meetings being convened when necessary.

During the FYE 30 September 2012 the Board met five (5) times. The details of the Directors attendance at these Board meetings are set out as follows:

Director	No. of meetings attended	Percentage Attendance
Mohd Badaruddin Bin Masodi	5 of 5	100%
Mohd Faidzal Bin Ahmad Mahidin	5 of 5	100%
Ismawadee Bin Ismail	4 of 5	80%
Mohd Fadzli Bin Ibrahim	5 of 5	100%
Ku Mun Fong	4 of 5	80%
Dato' Ahmad Bin Ismail (Appointed with effect from 23 May 2012)	1 of 1	100%
Alex Tan Seng Keng (Resigned with effect from 13 February 2012)	2 of 2	100%
Tan Chin Eng (Resigned with effect from 13 February 2012)	2 of 2	100%

Corporate Governance Statement (Cont'd)

Note to shareholders:

Numbers of meetings attended by each Director vary according to their dates of resignation and appointment.

3. Supply of Information

All Directors have unrestricted access to information in the discharge of their duties and receive regular information updates on the Company's performance to enable them to make informed decisions.

The Board papers which are presented to the Board include, amongst others, the quarterly and annual financial statements, operations report and corporate proposals.

For all Board meetings, the notices of meetings and board papers are distributed to the Directors at least seven (7) days prior to the Board Meetings to provide Directors with sufficient time to deliberate on issues to be raised at the meetings. All proceedings of the meetings are properly minuted and filed by the Company Secretary.

The Directors also have access to independent professional advice, including the advice of the external auditor, whenever such services are needed to assist them in carrying out their duties. Each Director also has unrestricted access to the advice and services of the Company Secretaries, senior management staff and other external advisers, where necessary.

4. Appointments of Directors

The Nomination Committee recommends to the Board suitable candidates for appointment as Directors and to fill vacant seats on the Board. The Nomination Committee has a formal assessment mechanism in place to assess the effectiveness of the Board and the contribution of each individual director, including the Independent Non-Executive Directors. The performance measurement to assess the Board and the individual Directors' performance are carried out annually by the Nomination Committee.

Further details on the Nomination Committee are set out on page 21 of this Annual Report.

5. Directors' Training

All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme conducted by Bursatra Sdn Bhd within stipulated timeframe required in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the financial year ended 30 September 2012, the respective Directors have attended the following training programme / seminar:-

Subject

- Managed Security Services Solution Briefing
- National Tax Seminar 2011
- Public Practitioners Seminar – Facing the Changing Practice Landscape
- National Tax Conference 2012
- Mandatory Accreditation Programme (MAP)

The Directors will continue to participate in other relevant training programs and seminars to keep abreast with the relevant changes in laws and regulations, and the business environment from time to time.

Corporate Governance Statement (Cont'd)

6. Retirement and Re-election of Directors

In accordance with the Company's Articles of Association ("**Articles**"), all Directors who are appointed by the Board are subject to re-election by shareholders at the first Annual General Meeting ("**AGM**"). The Articles also provide that one-third (1/3) (or nearest to one-third, if number is not three or multiple of three) of the Directors (including the Managing Director) to retire by rotation at every AGM. All the Directors are subject to retirement at an interval of at least once in every three (3) years.

Directors who are standing for re-election at the Ninth AGM of the Company to be held on 28 March 2013 are detailed in the Notice of the Ninth AGM.

7. Board Committees

The Board has delegated certain responsibilities to its committees which operate within clearly defined terms of reference:

a) Audit Committee

The Board is assisted by an Audit Committee. The composition and terms of reference to the Audit Committee can be found on pages 26 to 28.

b) Nomination Committee

Authority

The Nomination Committee is granted the authority to access and recommend candidates with mix of skills and experience, including core competencies to the Board. The Committee also carries out annual evaluation on the effectiveness and adequacy of balance between the whole Board.

Composition

The members are as follows:

Ku Mun Fong - Chairman
- Independent Non-Executive Director

Mohd Fadzli Bin Ibrahim - Member
- Independent Non-Executive Director

Ismawadee Bin Ismail - Member
- Independent Non-Executive Director

Function and Duties

- (a) To recommend to the Board, the candidates for directorships to be filled by the shareholders or the Board;
- (b) To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability, by any other senior executive(s) or any Director(s) or shareholder;
- (c) To recommend to the Board, the Director(s) to fill the seat(s) on Board Committees;
- (d) To review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board; and
- (e) To assess the effectiveness of the Board as a whole, the Committees and the contribution of each individual Director.

Corporate Governance Statement (Cont'd)

c) Remuneration Committee

Authority

The Remuneration Committee is granted the authority to recommend to the Board, the remuneration packages of the Executive Directors. The remuneration packages of Non-Executive Directors should be determined by the Board as a whole.

Composition

The members are as follows:

Mohd Fadzli Bin Ibrahim - Chairman
- Independent Non-Executive Director

Ismawadee Bin Ismail - Member
- Independent Non-Executive Director

Function and Duties

- (a) To review that the existing level of remuneration of Executive Directors is compatible with their corporate and individual performance;
- (b) To recommend to the Board the remuneration of Executive Directors which is structured to link rewards to corporate and individual performance. Executive Directors should play no part in decisions on their own remuneration;
- (c) In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the particular Non-Executive Directors concerned. Determination of remuneration packages shall be a matter for the Board as a whole. The individual(s) concerned shall abstain from discussion of their own remuneration; and
- (d) The Company shall establish a formal and transparent procedure on Executive Directors' remuneration and fix the remuneration packages of individual Directors.

B. Directors' Remuneration

The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance in order to attract, retain and motivate the Executive Directors to run the Group successfully. In the case of the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The aggregate remuneration of Directors for the FYE 30 September 2012 is as follow:

	Directors Fees (RM)	Directors Salaries and Other Emoluments (RM)	Total (RM)
Non-Executive Directors	84,255	10,400	94,655
Executive Directors	10,688	330,132	340,820
Total	94,943	340,532	435,475

Corporate Governance Statement (Cont'd)

The number of directors of the Company whose remuneration fall within the respective band are as follows:

	Executive Director	Non-Executive Director
Below RM50,000	1	5
RM50,001 to RM150,000	1	-
RM150,001 to RM250,000	1	-
Total	3	5

The Directors' fees are approved by the shareholders at the Annual General Meeting.

C. Relationship with Shareholders and Investors

The Group recognises the importance of accurate, effective and timely communication with shareholders and investors to keep them informed on the Group's latest business and corporate developments.

Several channels are used to disseminate information on a timely basis to the investing public:

- a) the Annual General Meeting is used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company;
- b) Quarterly announcements and corporate disclosure to Bursa Malaysia Securities Berhad ("**Bursa Securities**") are available on the website www.bursamalaysia.com;
- c) Press releases provide up-to-date information on the Group's key corporate initiatives and new product and service launches;
- d) The Company's website at www.extolcorp.com provides corporate information on the Group; and
- e) The Group's Corporate Communications Department addresses inquiries from shareholders, investors and the public relating to Company matters.

D. Accountability and Audit

1. Financial Reporting

The Board is responsible for ensuring that the Company maintains accounting records, and financial statements which disclose with reasonable accuracy the financial position of the Group, and that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards set by Malaysian Accounting Standard Boards. The statement of Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 38 of this Annual Report.

In the preparation of the financial statements, the Directors are of the view that:

- The Group has used appropriate accounting policies that are consistently applied;
- Reasonable and prudent judgments and estimates have been made; and
- All applicable approved accounting standards in Malaysia have been followed.

Corporate Governance Statement (Cont'd)

2. Internal Control

The Board acknowledges that it is responsible to set up and maintain an effective system of internal control to safeguard the shareholders' interest and the Group's assets. With this, the Board has ensured that the system of internal control takes into account the process of identifying key risks, likelihood of occurrence and materiality. The Board has also considered the adequacy of internal controls to address these risks.

The Board recognises that risks cannot be eliminated completely. However, with the implementation of a proper system of internal control, the Directors and senior management of the Group aim to provide reasonable assurance against material misstatement, losses and fraud. The Audit Committee assists the Board in discharging the duties in relation to internal control.

3. Relationship with Auditors

Through the Audit Committee, the Company has established a formal and transparent relationship with the Group's external auditors. The Audit Committee meets with external auditors at least twice a year to review audit plans and to facilitate exchange of views on issues requiring attention. In addition, audit findings and reports are highlighted to the Audit Committee and the Board.

The Audit Committee takes responsibility to ensure that adequate resources are allocated and provided to the external auditors to carry out their duties according to the annual audit plan. The details of audit / non-audit fees paid / payable to the external auditors are set out below:

30 September 2012	Group (RM)	Company (RM)
Audit fees	34,000	16,500
Non-audit fees	1,000	1,000

4. Statement of compliance with the Malaysian Code on Corporate Governance 2012 ("the Code")

The Board recognises and subscribes to the importance of the principles and best practices set out in the Code. In this respect, where practical and reasonable, the Board has applied the principles and best practices under the Code.

E. Additional Corporate Information

1. Share Buybacks

The Company did not have a share buy-back plan in place during the FYE 30 September 2012.

2. Amount of Option, Warrants or Convertible Securities Exercised during the Financial Year

There were no options, warrants or convertible securities exercised during the FYE 30 September 2012.

3. Depository Receipt ("DR") Programme

The Company did not sponsor any DR programme.

4. Sanction and/or Penalties

There were no sanction and/or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the FYE 30 September 2012.

Corporate Governance Statement (Cont'd)

5. Variation of Results

The Company did not issue any profit estimate, forecast or projection for the FYE 30 September 2012.

There were no variances of 10% or more between the audited results for the FYE 30 September 2012 and the unaudited results previously announced.

6. Profit Guarantee

There were no profit guarantees given by the Company in respect of the FYE 30 September 2012.

7. Material Contracts

There were no material contracts entered into by the Group involving directors' and substantial shareholders interest, either still subsisting, or entered into since the end of the previous financial year.

8. Corporate Social Responsibility Activities or Practices

The Corporate Social Responsibility report is set out on page 12 of this Annual Report.

9. Recurrent Related Party Transactions ("RRPT") of revenue nature

There were no RRPT of revenue nature entered into by the Group during the FYE 30 September 2012.

10. Status of Utilisation of Proceeds

The Company's Private Placement of 10,440,000 and 11,484,000 new ordinary shares was completed on 17 February 2012 and 23 May 2012 respectively.

The status of utilisation of the proceeds from the Private Placement as at 30 September 2012 is as follows:

Purpose	Proceeds Raise RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Working Capital	2,740	2,359	381
Listing Expenses	319	319	-
Total	3,059	2,678	381

Audit Committee Report

Member of the Audit Committee

The Audit committee was established on 5 January 2006. The present members of the Audit Committee and their respective designations are as follows:

Chairman

Ismawadee Bin Ismail
- Independent Non-Executive Director

Members

Dato' Ahmad Bin Ismail (Appointed with effect from 23 May 2012)
- Independent Non-Executive Chairman

Mohd Fadzli Bin Ibrahim
- Independent Non-Executive Director

Summary of Terms of Reference of the Audit Committee

1. Duties and Responsibilities of the Audit Committee

The following are the main duties and responsibilities of the Audit Committee collectively:

- (1) Review the following and report the same to the Board of the Company:-
 - (i) with the external auditors, the audit plan;
 - (ii) with the external auditors, his evaluation of the system of internal controls;
 - (iii) with the external auditors, his audit report;
 - (iv) the assistance given by the employees of the Company to the external auditors and the internal auditors;
 - (v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other legal requirements;
 - (viii) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (ix) any letter of resignation from the external auditors and any questions of resignation or dismissal; and
 - (x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.

Audit Committee Report (Cont'd)

- (2) Oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance;
- (3) Assist the Board in identifying the principal risks in the achievement of the Company's objectives and ensuring the implementation of appropriate systems to manage these risks;
- (4) Recommend to the Board on the appointment and re-appointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of the audit;
- (5) Discuss with the external auditors before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- (6) Discuss problems and reservations arising from the audits and any matter the auditors may wish to discuss in the absence of the management where necessary;
- (7) Review the external auditor's management letter and management's response therein;
- (8) In relation to the internal audit function:-
 - (i) review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - (ii) review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - (iii) review any appraisal or assessment of the performance of members of the internal audit function;
 - (iv) approve any appointment or termination of senior staff members of the internal audit function; and
 - (v) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (9) Consider the major findings of internal investigations and management's response; and
- (10) Consider other matters as defined by the Board.

2. Rights of the Audit Committee

In carrying out its duties and responsibilities, the Audit Committee will:

- have the authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

Audit Committee Report (Cont'd)

- be able to obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend the Audit Committee meetings (if required) and to brief the Audit Committee; and
- be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Summary of Activities Undertaken

The activities of the Committee for the FYE 30 September 2012 include, inter alia, the following:

Internal Audit

- Reviewed the adequacy of the scope, functions and resources of the internal audit function, and that it had the necessary authority to carry out its work; and
- Reviewed and discussed the internal audit reports and ensure that corrective actions had been taken to rectify the weaknesses highlighted in the audit reports.

Financial Reporting

Reviewed the quarterly and year end financial statements and ensure that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:-

- any change in or implementation of accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption;
- major judgmental issues;
- significant and unusual events; and
- compliance with accounting standards and other regulatory requirements.

External Audit

- Reviewed the audit planning memorandum for the FYE 30 September 2012;
- Reviewed the annual audited financial statement of the Group with the external auditors prior to submission to the Board for approval;
- Reviewed and discussed the observations, recommendations and the management's comments in respect of the issues raised by the external auditors on their evaluation of the system of internal controls; and
- Met with the external auditors without executive board members present during the FYE 30 September 2012.

Related Party Transaction

- Reviewed the related party transactions and conflict of interest situation that may arise within the company or group including any transactions, procedures or course of conduct that raises questions of management integrity.

Other Matters

Reviewed the Corporate Governance Statement.

Audit Committee Report (Cont'd)

Meetings

During the FYE 30 September 2012, four (4) meetings were convened, with details on the attendance of the Directors listed below:

Name of Committee Members	No. of meetings attended	Percentage Attendance
Ismawadee Bin Ismail	4 of 4	100%
Mohd Fadzli Bin Ibrahim	4 of 4	100%
Ku Mun Fong (Appointed with effect from 11 May 2012 and Resigned with effect from 29 August 2012)	1 of 2	50%
Dato' Ahmad Bin Ismail (Appointed with effect from 29 August 2012)	0 of 0	N/A
Tan Chin Eng (Resigned with effect from 13 February 2012)	1 of 1	100%

Note to shareholders:

Numbers of meetings attended by each Audit Committee Member vary according to their dates of resignation and appointment.

Internal Audit Function

The Board recognised the importance of the internal audit function and the independent status required for it to carry out the job effectively. During the FYE 30 September 2012, the internal audit function in respect of the accounting system was outsourced to Aftaas Corporate Advisory Services Sdn. Bhd. and the internal audit function for the operations was performed by Governance, Risk and Compliance (GRC) department of the Group. The Internal GRC team introduced risk based auditing approach with risk focused audit program in order to ensure that the principal risks were being identified and mapped with the existing system of internal control. The outsourcing of the audit functions in respect of the Group's accounting system was carried out stringently whereby results of accounting were properly maintained. As an ISO27001:2005 certified organization towards Information Security Management Systems (ISMS), the audit functions are to ensure that the controls and objectives of the standards are adhered to, maintained and followed. The audit plans that have been prepared at the beginning of the year were followed accordingly and areas of improvement were highlighted in the audit reports and discussed during the Management Review meetings together with the Audit Committee. By being certified towards ISO9001:2008, Quality Management Systems (QMS) the organisation is able to handle project management in a professional and structured way resulting in customer's confidence.

The Group had incurred a total amount of RM9,000.00 for the internal audit function for the FYE 30 September 2012.

The Board had via the Audit Committee evaluated the effectiveness of the outsourcer and GRC by reviewing the results of its work in Audit Committee meetings.

Statement by the Audit Committee in relation to ESOS allocation

The approval obtained from Bursa Malaysia Securities Berhad on 14 February 2006 for an Employee Share Option Scheme ("ESOS") lapsed on 2 April 2011. No ESOS options were granted prior to the expiry of the scheme.

Statement on Internal Control

The Board of Directors is committed to maintaining a sound system of internal control of the Group to safeguard the shareholders' investment and the Group's assets. The Board is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the financial year.

Responsibility of the Board

The Board recognises the importance of a sound system of internal control for good corporate governance and acknowledges its primary responsibility to ensure that principal risks in the Group are identified, measured and managed with appropriate system of internal controls, and to ensure that the effectiveness, adequacy and integrity of the internal control systems are reviewed on an ongoing basis. The system of internal control covers *inter-alia*, governance, risk management, financial, organisational, operational and compliance control. The Board also acknowledges that a sound system of internal controls reduces, but cannot eliminate, the possibility of poor judgement in decision-making; human error; breakdown in internal control due to collusion; control processes being deliberately circumvented by employees and others; management overriding controls and occurrence of unforeseeable circumstances. A sound system of internal control therefore provides reasonable, but not absolute, assurance that the Group will not be hindered in achieving its business objectives.

The Board recognises that the system needs to be continuously improved to support the type of business and size of the Group's operations. Such a system is concerted and continues the process for identifying, evaluating and managing significant risks faced by the Group.

Extol's Policies on Risk Management

Extol Group is a one-stop Information and Communications Technology ("ICT") security solutions provider offering a comprehensive spectrum of ICT security products and services to counter ICT security threats.

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks has been operating throughout the year. This process is reviewed by the Audit Committee whose main role is to review, on behalf of the Board, the key risks inherent in the business and the system of control necessary to manage such risks, and to present its findings to the Board. The Audit Committee is supported by the Group's internal audit function in carrying out its roles and responsibilities. To ensure that risks are managed effectively, Project Risk Management Processes are followed i.e.:

- Risk management Planning : Documenting intent of project regarding risk management
- Risk Identification : Reviewing project to identify risks
- Qualitative Risk : Analysing Risk impacts
- Quantitative Risk : Analysing Risk impacts and probabilities
- Risk Response Planning : Identifying actions to respond to prioritized risks
- Risk Monitoring and Control : Monitoring for identified risks and symptoms, looking for new potential risks

Statement on Internal Control (Cont'd)

The Group's risk management procedure enables all information and associated assets, such as information processing equipments and facilities, to undergo risk assessment on an annual basis and as and when there is an urgent need. A risk that can be reduced, transferred, or avoided is considered as an acceptable level of risk. The management decides on the criteria for risk acceptance. Extol selects appropriate control objectives from the ISO 27001 standard and work to mitigate the risks to residual level through the process of:

- Identifying the threats
- Determining the exposures for those assets
- Determining the threats to the assets from internal or external sources
- Identifying the security issues that need to be addressed
- Identifying the vulnerabilities
- Determining the probabilities
- Determining the impact
- Selecting appropriate controls from the ISO 27001 standards

All employees are required to sign a Non-Disclosure Agreement (NDA) during their service in the organisation to ensure the Confidentiality, Integrity and Availability (CIA) of valuable and private information and a high level of security and risk management is maintained at Group level. All employees know exactly what is expected of them not only in deliverables but also in the quality of the deliverables and compliance of the standard is requested by all staff.

Key Elements of Internal Control

The key elements of the Group's internal control system that are regularly reviewed by the Board are as follows:

- Establishment of a conducive control environment in respect to the overall attitude, awareness and actions of directors and management regarding the internal control system and its importance to the Group;
- To monitor the recruitment of experienced, skilled and professional staff with the necessary calibre to fulfil the respective responsibilities and ensuring that minimum controls are put in place;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human error, fraud and abuse;
- Effective monitoring of significant variances and deviation from standard operating procedures and budget;
- The Group has outsourced the internal audit services for the financial portion whereas the rest of the process is being handled by the Governance, Risk and Compliance (GRC) department. The internal audit functions independently review the risk identification procedures and control processes implemented by the management, and reports to the Audit Committee during the Audit Committee meetings. The internal audit functions provide assurance over the operation and validity of the system of internal control in relation to the level of risk involved using risk-based-auditing methodology;

Statement on Internal Control (Cont'd)

- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems;
- Monitoring of the compliance of the Group's Standard Operations Procedure and adherence to the Group's policy by the GRC Department, resulting in the Group's services exceeding customer needs as Extol is certified to ISO 27001:2005 and ISO 9001:2008; and
- Monitoring the progress meetings which are conducted regularly with heads of departments to address weaknesses and to improve efficiency and productivity.

The Board believes that the systems of internal controls in the Group are adequate and have been effective in their functions, with no significant breakdown or weaknesses in the system of internal control noted during the period under review.

Moving forward, the Group looks to continue to improve and enhance the existing systems of internal controls, taking into consideration the changing business environment.

Review of Statement by External Auditors

As required by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement of Internal Control. Their review was performed in accordance with Recommended Practice Guide (RPG) 5: Guidance for Auditors on the Review of Directors Statement on Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Group.



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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 30 September 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the research and development and sale of Information Communication Technology (ICT) security systems and provision of related professional services which are directly and indirectly linked to ICT, and investment holding.

The principal activities of the subsidiary companies are stated in Note 27 of the notes to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/ (Loss) for the financial year	<u>72,120</u>	<u>(166,290)</u>

DIVIDENDS

There was no dividend proposed, paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up shares capital from RM10,440,000 to RM12,632,400 by issuing 21,924,000 ordinary shares of RM0.10 by way of private placement as follows:

Term of issuance	Date	No. of ordinary shares of RM0.10 each	Issued price
Private Placement	15.02.2012	10,440,000	RM0.15
Private Placement	18.05.2012	11,484,000	RM0.13

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

ISSUE OF DEBENTURES

There were no debentures issued during the financial year.

OPTIONS

During the financial year, no share options have been granted.

DIRECTORS

The directors who have held office since the date of the last report and at the date of this report are:

DIRECTORS' REPORT (Cont'd)

DIRECTORS (Cont'd)

DATO' AHMAD BIN ISMAIL	Appointed w.e.f 23.05.2012
MOHD BADARUDDIN BIN MASODI	
MOHD FAIDZAL BIN AHMAD MAHIDIN	
ISMAWADEE BIN ISMAIL	
MOHD FADZLI BIN IBRAHIM	
KU MUN FONG	
TAN CHIN ENG	Resigned w.e.f 13.02.2012
ALEX TAN SENG KENG	Resigned w.e.f 13.02.2012

DIRECTORS' BENEFITS

None of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.10 each			
	Balance as at 01.10.2011/ on date of <u>appointment</u>	<u>Bought</u>	<u>Sold</u>	Balance as at <u>30.09.2012</u>
<u>Direct Shareholdings</u>				
DATO' AHMAD BIN ISMAIL (Appointed on 23.05.2012)	-	-	-	-
MOHD BADARUDDIN BIN MASODI	15,791,000	3,550,000	(9,143,900)	10,197,100
MOHD FAIDZAL BIN AHMAD MAHIDIN	15,503,000	5,000,000	(13,500,000)	7,003,000
ISMAWADEE BIN ISMAIL	-	-	-	-
MOHD FADZLI BIN IBRAHIM	-	50,000	(50,000)	-
KU MUN FONG	2,500,000	-	-	2,500,000
<u>Indirect Shareholdings</u>				
DATO' AHMAD BIN ISMAIL (Appointed on 23.05.2012)	-	-	-	-
MOHD BADARUDDIN BIN MASODI	-	-	-	-
MOHD FAIDZAL BIN AHMAD MAHIDIN	-	-	-	-
ISMAWADEE BIN ISMAIL	-	-	-	-
MOHD FADZLI BIN IBRAHIM	-	-	-	-
KU MUN FONG	50,000	-	-	50,000

DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there are no known bad debts and that allowance need not be made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The directors are not aware of any circumstances:
 - (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities which have arisen since the end of the financial year.
- (g) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, **CAS & Associates**, Chartered Accountants, have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 January 2013.

DATO' AHMAD BIN ISMAIL
Director

MOHD BADARUDDIN BIN MASODI
Director

Petaling Jaya

STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, **DATO' AHMAD BIN ISMAIL** and **MOHD BADARUDDIN BIN MASODI**, being two of the directors of **EXTOL MSC BERHAD**, do hereby state that, in the opinion of the directors, the financial statements as set out on pages **41 to 79** are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at **30 September 2012** and of the results and of the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 January 2013.

DATO' AHMAD BIN ISMAIL
Director

MOHD BADARUDDIN BIN MASODI
Director

Petaling Jaya

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, **MOHD BADARUDDIN BIN MASODI**, being the director primarily responsible for the accounting records and financial management of **EXTOL MSC BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages **41 to 79** are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
MOHD BADARUDDIN BIN MASODI)
at Petaling Jaya in the state of Selangor Darul Ehsan)
on 18 January 2013)

MOHD BADARUDDIN BIN MASODI

Before me:

N. MADHAVAN NAIR (NO. B 064)
Commissioner for Oaths
Petaling Jaya

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EXTOL MSC BERHAD (Company No.: 643683-U)
(Incorporated in Malaysia)**

Report on the Financial Statements

We have audited the financial statements of **EXTOL MSC BERHAD**, which comprise the statements of financial position as at **30 September 2012** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages **41 to 79**.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of **30 September 2012** and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EXTOL MSC BERHAD (Company No.: 643683-U)**
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements (Cont'd)

- c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on Note 51 of the Note to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statement. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on the Special matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose.

We do not assume responsibility to any other person for the content of this report.

CAS & ASSOCIATES
[No. AF1476]
Chartered Accountants

CHEN VOON HANN
[No. 2453/07/13(J)]
Partner of the firm

Dte: 18 January 2013

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2012

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
<u>NON-CURRENT ASSETS</u>					
Property, plant & equipment	26	2,490,541	3,105,493	143,991	224,175
Investment in subsidiary companies	27	-	-	8,281,500	6,570,000
Product development expenditure	28	3,708,037	4,298,947	3,349,082	3,717,259
Goodwill	29	3,541,003	3,541,003	-	-
Prepaid lease assets	30	-	142,359	-	-
		<u>9,739,581</u>	<u>11,087,802</u>	<u>11,774,573</u>	<u>10,511,434</u>
<u>CURRENT ASSETS</u>					
Inventories		224,736	503,543	-	-
Trade receivables	31	3,019,185	1,321,022	4,000	-
Other receivables	32	442,599	272,415	96,726	60,775
Amount due from subsidiary companies	33	-	-	4,091,689	4,130,064
Fixed deposits with licensed banks	34	854,098	829,648	-	-
Cash and bank balances		<u>6,770,915</u>	<u>4,073,808</u>	<u>3,317,111</u>	<u>1,887,792</u>
		<u>11,311,533</u>	<u>7,000,436</u>	<u>7,509,526</u>	<u>6,078,631</u>
TOTAL ASSETS		<u><u>21,051,114</u></u>	<u><u>18,088,238</u></u>	<u><u>19,284,099</u></u>	<u><u>16,590,065</u></u>
<u>EQUITY AND LIABILITIES</u>					
Share capital	35	12,632,400	10,440,000	12,632,400	10,440,000
Share premium	36	4,167,884	3,620,000	4,167,884	3,620,000
Retained earnings		<u>1,504,491</u>	<u>1,432,371</u>	<u>2,244,831</u>	<u>2,411,121</u>
Equity attributable to equity holders of the company		18,304,775	15,492,371	19,045,115	16,471,121
Non-controlling interest		-	-	-	-
		<u>18,304,775</u>	<u>15,492,371</u>	<u>19,045,115</u>	<u>16,471,121</u>
<u>NON-CURRENT LIABILITIES</u>					
Borrowings	37	-	16,284	-	-
Deferred taxation	38	<u>253,727</u>	<u>364,646</u>	<u>-</u>	<u>-</u>
		<u>253,727</u>	<u>380,930</u>	<u>-</u>	<u>-</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2012 (Cont'd)

		GROUP		COMPANY	
	Note	2012	2011	2012	2011
		RM	RM	RM	RM
<u>CURRENT LIABILITIES</u>					
Borrowings	37	16,284	695,942	-	-
Trade payables	39	1,740,510	1,273,339	-	-
Other payables	40	511,437	232,008	238,984	118,944
Provision for taxation		<u>224,381</u>	<u>13,648</u>	<u>-</u>	<u>-</u>
		<u>2,492,612</u>	<u>2,214,937</u>	<u>238,984</u>	<u>118,944</u>
TOTAL EQUITY AND LIABILITIES					
		<u><u>21,051,114</u></u>	<u><u>18,088,238</u></u>	<u><u>19,284,099</u></u>	<u><u>16,590,065</u></u>

The annexed notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	GROUP		COMPANY	
		2012 RM	2011 RM	2012 RM	2011 RM
Turnover	41	15,120,026	8,356,044	3,721,830	2,673,650
Cost of sales		<u>(8,262,594)</u>	<u>(2,991,275)</u>	<u>(291,874)</u>	<u>(222,223)</u>
Gross profit		6,857,432	5,364,769	3,429,956	2,451,427
Other operating income		248,139	882,244	121,645	668,810
Administrative expenses		(4,268,866)	(4,260,826)	(2,698,010)	(2,462,875)
Selling and distribution expenses		(539,743)	(113,132)	(286,989)	(65,208)
Other operating expenses		(2,092,739)	(2,405,039)	(732,892)	(1,025,614)
Finance cost		<u>(19,636)</u>	<u>(78,626)</u>	<u>-</u>	<u>(4,862)</u>
PROFIT/(LOSS) BEFORE TAXATION	42	184,587	(610,610)	(166,290)	(438,322)
Taxation	43	<u>(112,467)</u>	<u>(20,402)</u>	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER TAXATION		72,120	(631,012)	(166,290)	(438,322)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>72,120</u>	<u>(631,012)</u>	<u>(166,290)</u>	<u>(438,322)</u>
Profit/(Loss) after taxation attributable to:					
Equity holders of the company		72,120	(631,012)	(166,290)	(438,322)
Non-controlling interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>72,120</u>	<u>(631,012)</u>	<u>(166,290)</u>	<u>(438,322)</u>
Total comprehensive income/(Loss) attributable to:					
Equity holders of the company		72,120	(631,012)	(166,290)	(438,322)
Non-controlling interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>72,120</u>	<u>(631,012)</u>	<u>(166,290)</u>	<u>(438,322)</u>
Basic earnings per share (sen)		<u>0.06</u>	<u>(0.60)</u>	<u>(0.15)</u>	<u>(0.42)</u>

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2012

Group	Attributable to equity holders of the Company					
	Non-Distributable		Distributable		Non-controlling Interest RM	Total Equity RM
	Share Capital RM	Share Premium RM	Retained Earnings/ (Accumulated Losses) RM	Total RM		
Balance as at 01.10.2010	10,440,000	3,620,000	2,063,383	16,123,383	33,208	16,156,591
Total comprehensive Loss	-	-	(631,012)	(631,012)	(33,208)	(664,220)
Balance as at 30.09.2011	10,440,000	3,620,000	1,432,371	15,492,371	-	15,492,371
Increase in share capital	2,192,400	866,520	-	3,058,920	-	3,058,920
Share issuance expenses	-	(318,636)	-	(318,636)	-	(318,636)
Total comprehensive income	-	-	72,120	72,120	-	72,120
Balance as at 30.09.2012	<u>12,632,400</u>	<u>4,167,884</u>	<u>1,504,491</u>	<u>18,304,775</u>	-	<u>18,304,775</u>

STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2012 (Cont'd)

	Attributable to equity holders of the Company					
	Non-Distributable		Distributable		Non-controlling Interest RM	Total Equity RM
	Share Capital RM	Share Premium RM	Retained Earnings/ (Accumulated Losses) RM	Total RM		
Company						
Balance as at 01.10.2010	10,440,000	3,620,000	2,849,443	16,909,443	-	16,909,443
Total comprehensive loss	-	-	(438,322)	(438,322)	-	(438,322)
Balance as at 30.09.2011	10,440,000	3,620,000	2,411,121	16,471,121	-	16,471,121
Increase in share capital	2,192,400	866,520	-	3,058,920	-	3,058,920
Share issuance expenses	-	(318,636)	-	(318,636)	-	(318,636)
Total comprehensive loss	-	-	(166,290)	(166,290)	-	(166,290)
Balance as at 30.09.2012	<u>12,632,400</u>	<u>4,167,884</u>	<u>2,244,831</u>	<u>19,045,115</u>	-	<u>19,045,115</u>

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOW
AS AT 30 SEPTEMBER 2012

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/ (Loss) before taxation	184,587	(610,610)	(166,290)	(438,322)
Adjustments for:				
Depreciation of property, plant and equipment	664,992	762,651	92,374	126,105
Amortisation of prepaid lease assets	142,359	360,857	-	-
Amortisation of product development expenditure	845,039	616,952	622,306	394,219
Impairment on development expenditure	-	249,646	-	249,646
Interest expense	19,636	78,626	-	4,862
Interest income	(103,773)	(74,427)	(67,531)	(29,535)
Rental income	(89,600)	(99,050)	-	-
Property, plant and equipment written off	-	58,511	-	58,366
Operating profit before working capital changes	1,663,240	1,343,156	480,859	365,341
Decrease/(Increase) in inventories	278,807	(368,543)	-	-
(Increase) / Decrease in receivables	(1,868,347)	847,742	(39,951)	(43,539)
Increase/ (Decrease) in payables	746,600	(139,281)	120,040	20,048
Decrease in amount due from subsidiary companies	-	-	38,375	446,058
Net cash generated from operations	820,300	1,683,074	599,323	787,908
Interest paid	(19,636)	(78,626)	-	(4,862)
Tax (paid)/ refund	(12,653)	2,142	-	5,500
Net cash generated from operating activities	788,011	1,606,590	599,323	788,546

STATEMENTS OF CASH FLOW

AS AT 30 SEPTEMBER 2012 (Cont'd)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	103,773	74,427	67,531	29,535
Proceeds from issuance of share capital	3,058,920	-	3,058,920	-
Share issuance expenses	(318,636)	-	(318,636)	-
Purchase of property, plant and equipment	(50,040)	(281,959)	(12,190)	(281,079)
Rental income received	89,600	99,050	-	-
Product development expenditure	(254,129)	(156,595)	(254,129)	(156,595)
(Placement)/Withdrawal of fixed deposits	(24,450)	741,975	-	-
Investment in subsidiary company	-	(64,000)	(1,711,500)	-
	<u>-</u>	<u>(64,000)</u>	<u>(1,711,500)</u>	<u>-</u>
Net cash generated from/ (used in) investing activities	2,605,038	412,898	829,996	(408,139)
CASH FLOWS FROM FINANCING ACTIVITY				
Repayment of borrowings	<u>(695,942)</u>	<u>(504,716)</u>	<u>-</u>	<u>(36,659)</u>
Net cash used in financing activity	<u>(695,942)</u>	<u>(504,716)</u>	<u>-</u>	<u>(36,659)</u>
Net increase in cash and bank balances	2,697,107	1,514,772	1,429,319	343,748
Cash and cash equivalents as at beginning of financial year	<u>4,073,808</u>	<u>2,559,036</u>	<u>1,887,792</u>	<u>1,544,044</u>
Cash and cash equivalents as at end of financial year	<u><u>6,770,915</u></u>	<u><u>4,073,808</u></u>	<u><u>3,317,111</u></u>	<u><u>1,887,792</u></u>
Cash and cash equivalents comprise of:				
Cash in hand	6,543	2,369	3,391	1,061
Cash at bank	<u>6,764,372</u>	<u>4,071,439</u>	<u>3,313,720</u>	<u>1,886,731</u>
	<u><u>6,770,915</u></u>	<u><u>4,073,808</u></u>	<u><u>3,317,111</u></u>	<u><u>1,887,792</u></u>

The annexed notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended 30 September 2012

1. GENERAL INFORMATION

Extol MSC Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Unit G-1, Ground Floor, Wisma UOA Pantai, No.11, Jalan Pantai Jaya, 59200 Kuala Lumpur.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the research and development and sale of Information Communication Technology (ICT) security systems and provision of related professional services which are directly and indirectly linked to ICT, and investment holding.

The principal activities of the subsidiary companies are stated in **Note 27** of the notes to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs"), and the provisions of the Companies Acts, 1965.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The presentation of financial statements in conformity with FRS requires the use of certain accounting estimates and assumption that affect the reported amount of assets and liabilities and disclosures of contingent asset and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported financial year. It is also requires Directors to exercise their judgment in the process of applying the Group's and Company's accounting policies. Although these estimates and judgments are based on the Directors' best knowledge of current events and actual results may differ.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 18 January 2013.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Amendments, improvements to be published standards and interpretations that are effective

The FRSs amendments and improvement to published standards and interpretations that are relevant and effective during the current financial year and adopted by the Group and the Company are as follows:

FRS	Title	Effective date
1	First-time Adoption of Financial Reporting Standards	1 January 2011
3	Business Combination	1 January 2011
7	Financial Instruments: Disclosure-improving disclosure about financial instruments	1 January 2011
127	Consolidated and separate financial statements	1 January 2011
132	Financial Instruments: Presentation-Classification of Right Issues	1 January 2011
134	Interim Financial Reporting	1 January 2011
139	Financial Instrument: Recognition and Measurement	1 January 2011
IC Interpretation 4	Determining whether an agreement contains a lease	1 January 2011
IC Interpretation 12	Service concession arrangements	1 July 2010
IC Interpretation 16	Hedges of a net investment in a foreign operation	1 July 2010
IC Interpretation 17	Distribution of non-cash assets to owners	1 July 2010
IC Interpretation 18	Transfers of assets from customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
	Improvements to FRS (2010)	1 January 2011

The new accounting standards, amendments and improvements to published standards and interpretations have no material impact on the financial statements of the Group and the Company.

(b) Standards, amendments to be published standards and interpretations to existing standards that are applicable to the Group but not yet effective

In the next financial year, the Group and Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). MFRS 1 "First-time adoption of MFRS" provides for certain optional exemption and certain mandatory exceptions for first-time MFRS adopters.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MFRS	Title	Effective date
1	First-time Adoption of Financial Reporting Standards: <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters-(Amendments to FRS 1)</i>	1 January 2012
7	Financial Instruments: <i>Disclosure-Transfers of Financial Assets (Amendment to FRS 7)</i>	1 January 2012
9	Financial Instruments: <i>Classification and Measurement of Financial Assets and Financial Liabilities</i>	1 January 2015
10	Consolidated Financial Statements	1 January 2013
11	Joint arrangements	1 January 2013
12	Disclosure of Interest in Other Entities	1 January 2013
13	Fair Value Measurement	1 January 2013
101	Presentation Items of Other Comprehensive Income (Amendment to FRS 101)	1 July 2012
112	Deferred Taxation: <i>Recovery of Underlying Assets (Amendment to FRS 112)</i>	1 January 2012
119	Employee Benefits	1 January 2013
124	Related Party Disclosures	1 January 2012
127	Separate Financial Statements	1 January 2013
132	Financial Instruments: <i>Offsetting Financial Assets and Financial Liabilities (Amendment to FRS 132)</i>	1 January 2014
139	Financial Instruments: <i>Recognition and measurement</i>	1 January 2012
	IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instrument</i>	1 July 2011
	Amendment to IC Interpretation 14: <i>"FRS 119- The Limit on a Defined Assets, Minimum Funding Requirements and Their Interaction"</i>	1 July 2011

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

(c) Standards early adopted by the Group and Company

The Group and the Company has not early adopted any new accounting standards, amendments and improvements to be published standards and interpretations.

6. BASIS OF CONSOLIDATION

Subsidiaries are all those entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group control another entity.

The consideration transferred by acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets and liabilities resulting from a contingent consideration agreement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

6. BASIS OF CONSOLIDATION (CONTINUED)

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous entity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognized in profit or loss. Refer to accounting policy on goodwill.

Non -controlling interest is the equity in subsidiary not attributable, directly or indirect, to parent. On the acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree at the non-controlling interest's proportionate shares of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its shares of changes in the subsidiary's equity since the date of combination.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gain or loss transactions between Group and subsidiary Companies are eliminated. Unrealized losses are also eliminated. This may indicate an impairment of the assets transferred. Accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

All earnings and losses of the subsidiary are attributable to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interest for prior years is not restated.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognized in profit or loss attributable to the parent.

7. GOODWILL

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary company at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the statement of financial position.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The policy for the recognition and measurement of impairment losses is in accordance with Note 10.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO FINANCIAL STATEMENTS for the financial year ended 30 September 2012 (Cont'd)

8. RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the income statement when incurred.

Costs on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalised and deferred when it is probable that the assets under development will generate future economic benefits considering its commercial and technological feasibility of completing the development activities so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, the availability of resources to complete the development activities and when the expenditure can be measured reliably. Other development expenditures are recognised as expenses in the income statement when incurred.

Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and impairment loss, if any. Capitalised development costs will be amortised, on a straight-line basis, over the estimated commercial life commencing from the use of the assets. The policy for the recognition and measurement of impairment losses is in accordance with Note 10. The amortisation period and method are also reviewed at least at each reporting date.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the other property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

	%
Freehold office buildings	2
Furniture and fittings	10
Office Equipment	10
Computers	30
Hardware appliances	10
Motor Vehicles	20
Renovation	10

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 10 on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

10. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example, goodwill or intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

11. CASH AND CASH EQUIVALENT

For the purpose of the statements of cash flows, cash and cash equivalent comprises cash on hand, balances, demand deposits and short term highly liquid investments which are subject to insignificant risk of changes in value.

12. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

13. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended 30 September 2012 (Cont'd)

14. FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provision of the financial instrument.

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and Company determine the classification of the financial assets at initial recognition, and the categories included financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange difference, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current assets.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

14. FINANCIAL ASSETS (CONTINUED)

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustment when the financial assets are derecognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measure are measured at cost less impairment loss

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from assets has expired. On the derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase and sale of financial assets recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the assets.

15. IMPAIRMENT OF FINANCIAL ASSETS

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in the financial statement.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

15. IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

a) Trade and other receivables and other financial assets carried at amortised cost (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively recognised impairment loss is reversed to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

In there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate or return for a similar financial assets. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are consideration to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit-loss.

Impairment losses on available-for-sale equity investments are not reserved in profit or loss in subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment in profit or loss.

16. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

16. BORROWINGS (CONTINUED)

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

17. FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

18. TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods or services performed in the ordinary courses of business. All amounts are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made against profit or loss in the financial statements which of doubtful to recovery.

19. GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant related to an asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installment.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related as costs which the grants are intended to compensate. Grants related to income may be represented as a credit in profit or loss, either separately or under a general heading such as "Other Income". Alternatively, they are deducted in reporting the related expenses.

20. REVENUE

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from services rendered is recognised in the income statement upon provision of services and customer acceptance.

Revenue relating to sales of goods is recognised upon delivery of products and customer acceptance.

21. HIRE PURCHASE AND PREPAID LEASE

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

22. EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Company make such contributions to the Employees Provident Fund ("EPF").

23. INCOME TAX

Taxation on profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over the cost of the combination, in which case it is recognised in equity.

Current tax is expected tax payable on the taxable income for the financial year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous financial years.

Deferred taxation is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of assets or liabilities in a transaction which is not a business combination and at the time of transaction, affects neither accounting nor taxable profit. The amount of deferred tax provide is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that is probable that future taxable profits will be available against which the asset can be utilised.

24. FOREIGN CURRENCIES

The financial statements of the Company and of the Group are measured using the currency of the primary economic environment in which the Company operates ["the functional currency"]. The consolidated financial statements are presented in Ringgit Malaysia ["RM"], which is also the Company's functional currency.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

24. FOREIGN CURRENCIES (CONTINUED)

Transactions in currencies other than the Company and of the Group functional currency ["foreign currencies"] are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2012	2011
	RM	RM
1 GBP	4.980	-
1 EURO	3.964	4.316
1 USD	3.066	3.191

25. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION

In the application of the Group's accounting policies, which are described in note 10, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Useful lives of property, plant and equipment

As described at note 9 above, the Company and the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of certain items of equipment should be shortened, due to developments in technology. The carrying amounts of the Company's and the Group's property, plant and equipment at the end of the reporting period are disclosed in note 26.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

26. PROPERTY, PLANT & EQUIPMENT

2012				
<u>Group</u>	Balance as at 1.10.2011	Addition	Disposal	Balance as at 30.09.2012
<u>Cost</u>	RM	RM	RM	RM
Freehold office buildings	2,032,000	-	-	2,032,000
Furniture and fittings	319,940	520	-	320,460
Office equipment	696,339	23,972	-	720,311
Computers	811,985	25,548	-	837,533
Hardware appliances	2,870,000	-	-	2,870,000
Motor vehicles	378,457	-	-	378,457
Renovation	15,050	-	-	15,050
	7,123,771	50,040	-	7,173,811
<u>Group</u>	Balance as at 1.10.2011	Charge for the year	Disposal	Balance as at 30.09.2012
<u>Accumulated depreciation</u>	RM	RM	RM	RM
Freehold office buildings	571,840	40,640	-	612,480
Furniture and fittings	96,947	32,046	-	128,993
Office equipment	290,522	90,175	-	380,697
Computers	485,949	202,226	-	688,175
Hardware appliances	2,224,250	287,000	-	2,511,250
Motor vehicles	344,255	11,400	-	355,655
Renovation	4,515	1,505	-	6,020
	4,018,278	664,992	-	4,683,270
<u>Company</u>	Balance as at 1.10.2011	Addition	Disposal	Balance as at 30.09.2012
<u>Cost</u>	RM	RM	RM	RM
Furniture and fittings	-	-	-	-
Office equipment	39,354	9,400	-	48,754
Computers	288,871	2,790	-	291,661
Motor vehicles	251,457	-	-	251,457
Renovation	-	-	-	-
	579,682	12,190	-	591,872
<u>Company</u>	Balance as at 1.10.2011	Charge for the year	Disposal	Balance as at 30.09.2012
<u>Accumulated depreciation</u>	RM	RM	RM	RM
Furniture and fittings	-	-	-	-
Office equipment	4,280	4,875	-	9,155
Computers	99,771	87,499	-	187,270
Motor vehicles	251,456	-	-	251,456
Renovation	-	-	-	-
	355,507	92,374	-	447,881

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

26. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

<u>2011</u> <u>Group</u>	Balance as at 1.10.2010 RM	Addition RM	Disposal RM	Balance as at 30.09.2011 RM
Cost				
Freehold office buildings	2,032,000	-	-	2,032,000
Furniture and fittings	376,036	-	(56,096)	319,940
Office equipment	728,323	36,789	(68,773)	696,339
Computers	1,449,492	245,170	(882,677)	811,985
Hardware appliances	2,870,000	-	-	2,870,000
Motor vehicles	378,457	-	-	378,457
Renovation	45,025	-	(29,975)	15,050
	<u>7,879,333</u>	<u>281,959</u>	<u>(1,037,521)</u>	<u>7,123,771</u>
<u>Group</u>	Balance as at 1.10.2010 RM	Charge for the year RM	Disposal RM	Balance as at 30.09.2011 RM
Accumulated depreciation				
Freehold office buildings	531,200	40,640	-	571,840
Furniture and fittings	96,864	37,602	(37,519)	96,947
Office equipment	238,080	94,656	(42,214)	290,522
Computers	1,092,001	274,278	(880,330)	485,949
Hardware appliances	1,937,250	287,000	-	2,224,250
Motor vehicles	320,282	23,973	-	344,255
Renovation	18,960	4,502	(18,947)	4,515
	<u>4,234,637</u>	<u>762,651</u>	<u>(979,010)</u>	<u>4,018,278</u>
<u>Company</u>	Balance as at 1.10.2010 RM	Addition RM	Disposal RM	Balance as at 30.09.2011 RM
Cost				
Furniture and fittings	56,096	-	(56,096)	-
Office equipment	72,218	35,909	(68,773)	39,354
Computers	113,381	245,170	(69,680)	288,871
Motor vehicles	251,457	-	-	251,457
Renovation	29,975	-	(29,975)	-
	<u>523,127</u>	<u>281,079</u>	<u>(224,524)</u>	<u>579,682</u>
<u>Company</u>	Balance as at 1.10.2010 RM	Charge for the year RM	Disposal RM	Balance as at 30.09.2011 RM
Accumulated depreciation				
Furniture and fittings	31,910	5,609	(37,519)	-
Office equipment	35,681	10,813	(42,214)	4,280
Computers	73,136	94,113	(67,478)	99,771
Motor vehicles	238,883	12,573	-	251,456
Renovation	15,950	2,997	(18,947)	-
	<u>395,560</u>	<u>126,105</u>	<u>(166,158)</u>	<u>355,507</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

26. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

<u>Net Book Value</u>	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Freehold office buildings	1,419,520	1,460,160	-	-
Furniture and fittings	191,467	222,993	-	-
Office equipment	339,614	405,817	39,599	35,074
Computers	149,358	326,036	104,391	189,100
Hardware appliances	358,750	645,750	-	-
Motor vehicles	22,802	34,202	1	1
Renovation	9,030	10,535	-	-
	<u>2,490,541</u>	<u>3,105,493</u>	<u>143,991</u>	<u>224,175</u>

As at the reporting date, there were property, plant and equipment acquired under instalment purchase plans for which there were outstanding instalments. The net book value of these assets amounted to RM22,801 (2011: RM 34,201).

The Group's freehold office buildings were charged to a licensed banks for banking facilities granted to a subsidiary company and their net book value were RM1,419,520 (2011: RM 1,460,160).

27. INVESTMENT IN SUBSIDIARY COMPANIES

	2012 RM	2011 RM
<u>Unquoted shares, at cost</u>		
At the beginning of the financial year	6,570,000	6,570,000
Addition during the year	1,711,500	-
At the end of the year	<u>8,281,500</u>	<u>6,570,000</u>

The additional at investment in subsidiary was arisen from capitalisation of amount due from a subsidiary company.

The Company has:

Name of subsidiary companies	Country of incorporation	Equity interest held		Principal activities
		2012 %	2011 %	
Extol Corporation (M) Sdn. Bhd. (Company No.: 121135-U)	Malaysia	100	100	Sales and research and development of security technology, security maintenance and professional security services and training.
Extol Ventures Sdn. Bhd. (Company No.: 647402-P)	Malaysia	100	100	Investment holding, trading in computer hardware, software, related equipment and software development.
Innodium Sdn. Bhd. (Company No.: 596701-T)	Malaysia	100	100	Software development and trading in software products.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

28. PRODUCT DEVELOPMENT EXPENDITURE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
<u>At cost</u>				
At the beginning of the year	8,337,138	8,180,543	5,968,934	5,812,339
Addition during the year	<u>254,129</u>	<u>156,595</u>	<u>254,129</u>	<u>156,595</u>
	<u>8,591,267</u>	<u>8,337,138</u>	<u>6,223,063</u>	<u>5,968,934</u>
Less:				
<u>Accumulated amortisation</u>				
At the beginning of the year	(3,753,769)	(3,136,817)	(1,967,253)	(1,573,034)
Addition during the year	<u>(845,039)</u>	<u>(616,952)</u>	<u>(622,306)</u>	<u>(394,219)</u>
	<u>(4,598,808)</u>	<u>(3,753,769)</u>	<u>(2,589,559)</u>	<u>(1,967,253)</u>
Less:				
<u>Accumulated impairment</u>				
At the beginning of the year	(284,422)	(34,776)	(284,422)	(34,776)
Addition during the year	<u>-</u>	<u>(249,646)</u>	<u>-</u>	<u>(249,646)</u>
	<u>(284,422)</u>	<u>(284,422)</u>	<u>(284,422)</u>	<u>(284,422)</u>
At the end of the year	<u>3,708,037</u>	<u>4,298,947</u>	<u>3,349,082</u>	<u>3,717,259</u>

Included in the product development expenditure, the details of the cost incurred are as follows:

<u>Group and Company</u>	2012	2011
	RM	RM
Staff Cost	<u>254,129</u>	<u>156,595</u>

29. GOODWILL

<u>Group</u>	2012	2011
	RM	RM
At the beginning of the year	3,541,003	3,510,211
Addition during the year	<u>-</u>	<u>30,792</u>
At the end of the year	<u>3,541,003</u>	<u>3,541,003</u>

Goodwill on consolidation is stated at cost and reviewed for impairment annually.

Goodwill on consolidation has been allocated for impairment testing to the Group's cash generating unit ("CGU").

During the financial year, the Group assessed the recoverable amount of the goodwill on consolidation, and determined that the goodwill on consolidation is not impaired.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

29. GOODWILL (CONTINUED)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a period of ten years.

The key assumptions underpinning the value-in-use calculations are as follows:

	%
Growth rate	5-20
Discount rate	10

Management determined the budgeted gross margin based on the past performance and its expectations of market development. The growth rate used is based on past years' achievement and the expected contracts to be secured. The discount rate used reflects the current market assessment of the risks specific to each CGU.

30. PREPAID LEASE ASSETS

<u>Group</u>	2012	2011
	RM	RM
Prepaid lease assets, at cost	1,443,461	1,443,461
Less: Accumulated amortisation	<u>(1,443,461)</u>	<u>(1,301,102)</u>
	<u>-</u>	<u>142,359</u>

31. TRADE RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Gross receivables	3,027,573	1,329,410	12,388	8,388
Less: <u>Impairment of trade receivables</u>				
At the beginning of the year	(8,388)	(8,388)	(8,388)	(8,388)
Addition during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(8,388)</u>	<u>(8,388)</u>	<u>(8,388)</u>	<u>(8,388)</u>
Net receivables	<u>3,019,185</u>	<u>1,321,022</u>	<u>4,000</u>	<u>-</u>

The currency exposure profile of trade receivables is as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	1,801,717	1,097,062	4,000	-
US Dollar	1,130,968	223,960	-	-
British Pound Sterling	<u>86,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,019,185</u>	<u>1,321,022</u>	<u>4,000</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

31. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Neither past due nor impaired	1,354,035	1,020,157	4,000	-
1- 30 days past due nor impaired	325,737	267,525	-	-
31-60 days past due nor impaired	144,067	10,336	-	-
Over 60 days past due nor impaired	1,195,346	23,004	-	-
	<u>3,019,185</u>	<u>1,321,022</u>	<u>4,000</u>	<u>-</u>

Trade receivables neither past due nor impaired are credit worthy debtors with good payment record with the Group and none of them renegotiated during the year.

The Group has trade receivables amounting to RM1,665,150 (2011: RM 300,865) that are past due at the reporting date but not impaired. These are unsecured in nature.

32. OTHER RECEIVABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Other receivables	228	1,000	-	1,000
Deposits	333,327	200,800	77,644	7,644
Prepayments	109,044	70,615	19,082	52,131
	<u>442,599</u>	<u>272,415</u>	<u>96,726</u>	<u>60,775</u>

Other receivables are denominated in Ringgit Malaysia.

33. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2012 RM	2011 RM
Extol Corporation (M) Sdn Bhd	3,704,983	2,130,858
Extol Ventures Sdn Bhd	15,000	1,711,500
Innodium Sdn Bhd	371,706	287,706
	<u>4,091,689</u>	<u>4,130,064</u>

The amounts due from subsidiary companies are unsecured, interest-free and repayable upon demand. The amounts arose from trade and non-trade transactions.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

34. FIXED DEPOSITS WITH LICENSED BANKS

The interest rate and maturity of the deposit as at 30 September 2012 are as follows:

<u>Group</u>	Interest rate		Maturity	
	2012 %	2011 %	2012 Days	2011 Days
Fixed deposit with licensed banks	2.90	2.75-2.90	30	30

Fixed deposits with licensed banks of a subsidiary company are pledged to the banks for credit facilities granted to the subsidiary company.

35. SHARE CAPITAL

	Group and Company	
	2012 RM	2011 RM
Ordinary shares of RM0.10 each		
Authorised:		
Balance as at beginning of the financial year	25,000,000	25,000,000
Created during the year	75,000,000	-
Balance as at end of the financial year	<u>100,000,000</u>	<u>25,000,000</u>
Issued and fully paid:		
Balance as at beginning of the financial year	10,440,000	10,440,000
Issued during the year	2,192,400	-
Balance as at end of the financial year	<u>12,632,400</u>	<u>10,440,000</u>

During the financial year, the Company has proposed and implemented the following exercises:

(a) Increase of Authorised Share Capital

During the financial year, the company has increased its authorised share capital from 250,000,000 ordinary shares at RM0.10 each to 1,000,000,000 at RM0.10 each. This exercise has been successfully completed.

(b) Private Placements

The Company has increased the number of issued and paid-up shares capital by way of private placements as follows:

	2012 RM	2011 RM
10,440,000 new ordinary shares of RM0.10 each at issue price of RM0.15 each on 15.02.2012	1,044,000	-
11,484,000 new ordinary shares of RM0.10 each at issue price of RM0.13 each on 18.05.2012	<u>1,148,400</u>	-
	<u>2,192,400</u>	-

This exercise has been successfully completed.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

35. SHARE CAPITAL (CONTINUED)

(c) Proposed Right Issues

The Company has proposed renounceable right issue of up to 378,972,000 new ordinary shares of RM0.10 each in Company on the basis of 3 Rights Shares for every 1 Company Share held after the private placement together with up to 252,648,000 free detachable warrants on the basis of 2 warrants for every 3 rights shares.

The Proposed Rights Issues have been approved by the members during the extraordinary meeting which was held on 18 April 2012.

This exercise is pending for completion and Bursa Malaysia Securities Berhad has given permission for extension to 20 March 2013.

The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

36. SHARE PREMIUM

	Group and Company	
	2012	2011
	RM	RM
Balance as at beginning of the financial year	3,620,000	3,620,000
<u>Created during the year</u>		
Addition during the year	866,520	-
Less: share issuance expenses	<u>(318,636)</u>	<u>-</u>
	547,884	-
Balance as at end of the financial year	<u>4,167,884</u>	<u>3,620,000</u>

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965.

The share premium arises from:

	Group and Company	
	2012	2011
	RM	RM
10,440,000 shares at premium of RM0.05 each issued on 15.02.2012	522,000	-
11,484,000 shares at premium of RM0.03 each issued on 18.05.2012	<u>344,520</u>	<u>-</u>
Balance as at end of the financial year	<u>866,520</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

37. BORROWINGS

	Group	
	2012	2011
	RM	RM
Non-Current Liabilities		
Hire purchase payables	-	16,284
Lease payables	-	-
Term loan	-	-
	<u>-</u>	<u>-</u>
	-	16,284
Current Liabilities		
Hire purchase payables	16,284	15,000
Lease payables	-	160,488
Term loan	-	61,454
Bankers' acceptances	-	459,000
	<u>16,284</u>	<u>695,942</u>
	2012	2011
	RM	RM
Total Borrowings		
Hire purchase payables	16,284	31,284
Lease payables	-	160,488
Term loan	-	61,454
Bankers' acceptances	-	459,000
	<u>16,284</u>	<u>712,226</u>

(a) HIRE PURCHASE PAYABLE

	Group	
	2012	2011
	RM	RM
Minimum hire purchase payments		
- Not later than one year	18,264	16,980
- More than one year and not later than five years	-	16,980
	<u>18,264</u>	<u>33,960</u>
Less: Future interest charges	<u>(1,980)</u>	<u>(2,676)</u>
Present value of hire purchase payables	<u>16,284</u>	<u>31,284</u>
Repayable:		
- Not later than one year	16,284	15,000
- More than one year and not later than five years	-	16,284
	<u>16,284</u>	<u>31,284</u>
Rates of interest charged per annum:		
	%	%
Hire purchase payables	<u>4.40</u>	<u>4.40</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

37. BORROWINGS (CONTINUED)

(b) TERM LOAN

	Group	
	2012	2011
	RM	RM
Repayable:		
- Not later than one year	-	61,454
- More than one year and not later than five years	-	-
	<u>-</u>	<u>61,454</u>

The term loan which commenced repayment from September 2007 is subjected to interest at 2% per annum below the bank's lending rate (BLR) in the first year, 0.25% per annum above BLR for the second year and 0.75% per annum above BLR thereafter.

(c) BANKERS' ACCEPTANCES

Details of the bankers' acceptances are as follows:

Interest rate		Credit period	
2012	2011	2012	2011
%	%	Days	Days
<u>6.66-7.58</u>	<u>4.25-6.86</u>	<u>120</u>	<u>120</u>

(d) LEASE PAYABLES

	Group	
	2012	2011
	RM	RM
Repayable:		
- Not later than one year	-	167,279
- More than one year and not later than five years	-	-
	<u>-</u>	<u>167,279</u>
Less: Future interest charges	-	<u>(6,791)</u>
Present value of hire purchase payables	<u>-</u>	<u>160,488</u>
	Group	
	2012	2011
	RM	RM
Repayable:		
- Not later than one year	-	160,488
- More than one year and not later than five years	-	-
	<u>-</u>	<u>160,488</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

38. DEFERRED TAXATION

	Group 2012 RM	2011 RM
Balance as at beginning of the financial year	364,646	371,738
<u>Transfer to comprehensive income (Note 43)</u>		
Recognised in the statement of comprehensive income	(116,371)	(7,092)
Under-provided in the previous financial year	5,452	-
	<u>253,727</u>	<u>364,646</u>

Presented after appropriate offsetting as follows:

	Group 2012 RM	2011 RM
Temporary difference arising from:		
Property, plant and equipment and development expenditure	256,048	405,545
Hire purchase outstanding	(2,321)	(40,899)
	<u>253,727</u>	<u>364,646</u>

39. TRADE PAYABLES

The currency exposure profile of trade payables are as follows:

	Group 2012 RM	2011 RM
Ringgit Malaysia	1,194,687	1,230,722
EURO	-	42,043
US Dollar	545,823	574
	<u>1,740,510</u>	<u>1,273,339</u>

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 60 days.

40. OTHER PAYABLES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Other payables	478,437	197,008	222,484	99,944
Accruals	33,000	35,000	16,500	19,000
	<u>511,437</u>	<u>232,008</u>	<u>238,984</u>	<u>118,944</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

41. TURNOVER

These represent billing for net invoiced value of goods sold and services rendered.

42. PROFIT/ (LOSS) BEFORE TAXATION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
This is stated after charging/ (crediting):				
Amortisation of prepaid lease	142,359	360,857	-	-
Amortisation of product development expenditures	845,039	616,952	622,306	394,219
Auditors' remuneration:				
-statutory	33,000	32,000	16,500	16,500
-under-provision in previous year	1,000	3,000	-	3,000
-non- statutory	-	3,000	-	2,500
Depreciation of property, plant and equipment	664,992	762,651	92,374	126,105
Gain in foreign exchange	(171)	(68,726)	(171)	-
Government grant income	-	(625,327)	-	(625,327)
Impairment of development expenditure	-	249,646	-	249,646
Interest income	(103,773)	(74,427)	(67,531)	(29,535)
Loss in foreign exchange	88,628	519	-	519
Property, plant and equipment written off	-	58,511	-	58,366
Rental income	(89,600)	(99,050)	-	-
Rental of premises	564,090	443,966	341,757	259,252

43. TAXATION

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
<u>Current</u>				
Tax expense for the current financial year	223,386	22,148	-	-
Under provision for previous year	-	5,346	-	-
	<u>223,386</u>	<u>27,494</u>	<u>-</u>	<u>-</u>
<u>Deferred (Note 38)</u>				
Deferred taxation relating to the origination and reversal of temporary differences	(116,371)	(7,092)	-	-
Under-provided in the previous financial year	5,452	-	-	-
	<u>(110,919)</u>	<u>(7,092)</u>	<u>-</u>	<u>-</u>
Tax expenses for the current financial year	<u>112,467</u>	<u>20,402</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

43. TAXATION (CONTINUED)

The reconciliation of income tax expense applicable to profit/ (loss) before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit/(Loss)before taxation	<u>184,587</u>	<u>(610,610)</u>	<u>(166,290)</u>	<u>(438,322)</u>
Taxation at statutory tax rate	44,245	(152,653)	(41,573)	(109,580)
Non-allowable expenses	442,923	299,051	170,407	57,446
Tax effect on temporary difference	(43,945)	(23,543)	(2,989)	-
Tax effect on unabsorbed losses and capital allowance	(207,450)	(94,174)	(125,845)	50,288
Income not subject to taxation	(12,387)	(6,533)	-	1,846
Taxation under provided in the previous financial year	-	5,346	-	-
Deferred taxation under provided in the previous financial year	5,452	-	-	-
Deferred taxation not recognised	<u>(116,371)</u>	<u>(7,092)</u>	<u>-</u>	<u>-</u>
Tax expense for the current financial year	<u><u>112,467</u></u>	<u><u>20,402</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The Company has been granted the Multimedia Super Corridor (MSC) Status up to 25 September 2014 and awarded the Pioneer Status under Section 4A of Promotion of Investment (Amendment) Act, 1986.

Subject to agreement from the Inland Revenue Board, the Company has, as at 30 September 2012,

- (i) unabsorbed business losses and capital allowances amounting to approximately RM1,480,718 (2011: RM1,838,000) which is available for set off against future taxable income, and
- (ii) tax exempt income of the Company to approximately RM1,403,139 (2011: RM1,382,400) which can be used to pay tax exempt dividend.
- (iii) Section 108 tax credit balance which is able to frank payment of dividend amounting to approximate RM64,518 (2011: RM64,518).

As at end of reporting date, the Company has not elected for the Single Tier Tax System. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to Single Tier Tax System. Under the Single Tier Tax System, tax on Company's profit is a final tax and dividend distributed to the shareholders will be exempted from tax.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

44. STAFF COSTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Staff costs				
Salary, bonus, allowances and overtime	2,647,762	2,302,568	1,439,285	1,268,352
Pension costs: Defined contribution plans and social security costs	<u>288,490</u>	<u>269,504</u>	<u>131,217</u>	<u>138,178</u>
	<u>2,936,252</u>	<u>2,572,072</u>	<u>1,570,502</u>	<u>1,406,530</u>
Directors' remuneration				
Fee	94,943	90,000	94,943	90,000
Salaries, bonus and allowance	304,400	411,677	304,400	256,485
Pension costs: Defined contribution plans and social security costs	<u>36,132</u>	<u>32,040</u>	<u>36,132</u>	<u>29,340</u>
	<u>435,475</u>	<u>533,717</u>	<u>435,475</u>	<u>375,825</u>

45. EARNINGS PER SHARE

Basic earnings/ (loss) per share of the Company and the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue for the financial year.

	Group		Company	
	2012	2011	2012	2011
Net profit/ (loss) for the financial year (RM)	72,120	(631,012)	(166,290)	(438,322)
Weighted average number of ordinary shares in issue (units)	<u>114,318,000</u>	<u>104,400,000</u>	<u>114,318,000</u>	<u>104,400,000</u>
Basic earnings per share (sen)	<u>0.06</u>	<u>(0.60)</u>	<u>(0.15)</u>	<u>(0.42)</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

46. SIGNIFICANT RELATED PARTY DISCLOSURE

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are below significant related party transactions. The related party transactions described below were carried out on terms and conditions agreed with the parties.

<u>Related parties</u>	<u>Relationship</u>
Extol Corporation (M) Sdn Bhd	wholly owned subsidiary
Extol Ventures Sdn Bhd	wholly owned subsidiary
Innodium Sdn Bhd	ultimate wholly owned subsidiary

Significant transactions of related parties are as follows:

	Company	
	2012	2011
	RM	RM
Advances to subsidiary companies	270,000	510,000
Expenses paid on behalf for subsidiary companies	1,632	1,867
Expenses paid on behalf by subsidiary companies	454,310	542,683
Purchases from a subsidiary company	291,026	213,892
Repayment from a subsidiary company	1,575,000	2,875,000
Sales to a subsidiary company	<u>3,721,830</u>	<u>2,673,650</u>

The directors are of the opinion that all the transaction above have been entered into in a normal course of business and have been established on terms and conditions that are not material different from those obtained in transaction with third parties.

47. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business unit based on their products and services provided.

The Company principally carries out research and development in Information Communication Technology (ICT) security system and to provide professional services which are directly and indirectly linked to ICT and investment holdings.

The segmental results for the Group are as follow:-

	Managed Security Solutions		Others		Group	
	RM	%	RM	%	RM	%
Sales	14,146,111	93.56	973,915	6.44	15,120,026	100.00
Cost of Sales	<u>(7,784,578)</u>	<u>(51.49)</u>	<u>(478,016)</u>	<u>(3.16)</u>	<u>(8,262,594)</u>	<u>(54.65)</u>
Gross Profit	<u>6,361,533</u>	<u>42.07</u>	<u>495,899</u>	<u>3.28</u>	<u>6,857,432</u>	<u>45.35</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

48. CAPITAL MANAGEMENT

The primary objective of the Company's and the Group's capital management is to ensure that it maintains an appropriate capital structure in order to support its business and maximise equity holder value.

The Company and the Group manage its capital structure and make adjustments to it, in light of change in economic conditions. No changes were made in the objectives, policies or process during the year except disclosed on the notes of financial statements ended 30 September 2012 and 2011 respectively.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables. Total capital is calculated as equity plus net debt.

	2012	2011
	RM	RM
Borrowings	16,284	712,226
Trade payables	1,740,510	1,273,339
Other payables	511,437	232,008
	<u>2,268,231</u>	<u>2,217,573</u>
Net debts	2,268,231	2,217,573
Total equity	18,304,775	15,492,371
Total equity and net debts	<u>20,573,006</u>	<u>17,709,944</u>
Gearing ratio	<u>0.11</u>	<u>0.13</u>

49. COMMITMENT

The Group had entered into non-cancellable lease agreement for office use, resulting in future rental commitments which can, subject to terms in the agreement, be revised annually based on prevailing market rates. The Group has aggregate future minimum lease commitment as the reporting date as follows:

Group	2012	2011
	RM	RM
Not later than one year	538,560	538,560
Later than one year and not later than five years	438,666	977,226
	<u>977,226</u>	<u>1,515,786</u>

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

50. FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
<u>Financial assets</u>				
- Amount due from subsidiaries	-	-	4,091,689	4,130,064
- Trade and other receivables(excluding prepayments)	3,352,740	1,522,822	81,644	8,644
- Cash and bank balances and fixed deposits	7,625,013	4,903,456	3,317,111	1,887,792
Total	10,977,753	6,426,278	7,490,444	6,026,500
<u>Financial liabilities</u>				
-Borrowings	16,284	712,226	-	-
-Trade and other payables(excluding statutory liabilities)	2,218,947	1,470,347	222,484	99,944
Total	2,235,231	2,182,573	222,484	99,944

i) Financial risk management objective and policies

The Company's and Group's financial risk management policies seek to ascertain that adequate financial resources are available for the development of the Company's and Group's business whilst managing its foreign currency exchange, credit, liquidity and market risks.

ii) Interest rate risk

The Company and Group are exposed to interest rate risk through the impact of interest rate changes on interest bearing borrowings from financial institutions. The Company's and the Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Company's and the Group's deposits and these financial assets are mainly short term in nature and they are not held for speculative purposes.

iii) Credit risk

The Company and Group have no major concentration of credit risk. Cash is placed with credit worthy financial institutions. The maximum exposure to credit risk in the event that the counter-parties fail to perform their obligations as at end of the financial year in relation to trade receivable is the carrying amount of trade receivables as stated in the balance sheet as at the end of the financial year.

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk is the carrying amount of the related financial assets recognised on the statement of financial position. Information regarding financial assets that are neither past due nor impaired are disclosed in Note 31.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

50. FINANCIAL INSTRUMENTS (CONTINUED)

iv) Foreign currency exchange risk

The Company and Group are exposed to currency risk as a result of transactions entered into in currencies other than its functional currency. Foreign exchange exposures in transactional currencies other than functional currency are kept to an acceptable level. The Company and the Group have not entered into any derivative financial instruments such as forward foreign exchange contracts.

At 30 September 2012, if the RM had weakened/ strengthened by 5% against the USD with all other variables held constant, post-tax profit for the financial year would have been RM102,000 lower/ higher, mainly as a result of foreign exchange losses/ gains on translation of USD denominated receivables and cash at bank. The exposure to the other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

v) Liquidity risk

In the management of liquidity risk, the Company and Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Company's and Group's operations and mitigate the effects of fluctuation in cash flows.

The Company and Group maintain adequate funds to meet their obligations as and when they fall due.

The maturity profile of the Company and Group's financial liabilities based on contractual undiscounted repayment are within one year from the financial reporting date.

vi) Fair value of financial assets and financial liabilities

All financial assets and liabilities are stated at or close to their fair values unless otherwise disclosed in the notes to the financial statements. The carrying amounts of the financial assets and financial liabilities are reasonable approximation of fair values, either due to short term nature or insignificant impact of discounting.

The responsibility for managing the above risks is vested in the directors.

51. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on Company and Group basis in the annual audited financial statements.

The breakdown of retained profits as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:

NOTES TO FINANCIAL STATEMENTS
for the financial year ended 30 September 2012 (Cont'd)

51. SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

<u>2012</u>	Group RM	Company RM
Total (accumulated loss)/retained profits of the Company and its subsidiaries:		
- Realised	2,826,214	2,244,831
- Unrealised	(253,727)	-
Less: Consolidation adjustments	<u>(1,067,996)</u>	<u>-</u>
Total retained earnings as per statement of financial position	<u><u>1,504,491</u></u>	<u><u>2,244,831</u></u>

52. COMPARATIVE FIGURES

The last year comparative figures were audited by another audit firm, C.K.Cheah & Co. Chartered Accountants.

Statistic of Shareholdings

As at 18 February 2013

Authorized Share Capital	RM100,000,000
Issued and fully paid up Share Capital (*)	RM12,632,400 comprising of 126,324,000 ordinary shares of RM0.10 each
Class of Shares	Ordinary shares of RM0.10 each fully paid up
Voting Rights	One vote per RM0.10 ordinary share

Analysis by Size of Shareholding

	No of shareholders	% shareholders	No of shares held	% of issued capital
1 to 99 shares	6	0.43	238	0.00
100 to 1,000 shares	189	13.72	70,004	0.06
1,001 to 10,000 shares	299	21.70	2,125,448	1.68
10,001 to 100,000 shares	682	49.49	30,605,010	24.23
100,001 to 6,316,199 shares (**)	202	14.66	93,523,300	74.03
6,316,200 and above shares (***)	0	0.00	0	0.00
	1,378	100.00	126,324,000	100.00

Remarks:

(*) - The issued and paid-up share capital of the Company increased to RM12,632,400 comprising of 126,324,000 ordinary shares of RM0.10 each with the completion of the Private Placement on 17 February 2012 and 23 May 2012 respectively

(**) - Less than 5% of issued shares

(***) - 5% and above of issued shares

List of Substantial Shareholders' Shareholdings (5% and above)

Name	No of Shares Held		Indirect	%
	Direct	%		
Mohd Badaruddin Bin Masodi	11,623,800	9.20	-	-

List of Directors' Shareholdings

Name	No of Shares Held		Indirect	%
	Direct	%		
1) Mohd Badaruddin Bin Masodi	11,623,800	9.20	-	-
2) Mohd Faidzal Bin Ahmad Mahidin	6,003,000	4.75	-	-
3) Ku Mun Fong	2,500,000	1.98	50,000 ^(a)	0.04
4) Ismawadee Bin Ismail	-	-	-	-
5) Mohd Fadzli Bin Ibrahim	-	-	-	-
6) Dato' Ahmad Bin Ismail	-	-	-	-

Note:

(a) Deemed interested via his late father, Koo Ah Lik @ Ku Yin Fu's shareholding.

List of Thirty (30) Largest Shareholders

As at 18 February 2013

No.	Shareholder	No. of Shares	%
1	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Faizal Bin Ahmad Mahidin	5,503,000	4.36
2	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Badaruddin Bin Masodi	5,147,100	4.07
3	A.A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Angkasa Aman Sdn Bhd	3,220,000	2.55
4	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Badaruddin Bin Masodi	2,752,000	2.18
5	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Vincent Tan Seng Chye (Dealer038)	2,510,000	1.99
6	Ku Mun Fong	2,500,000	1.98
7	Mohd Badaruddin Bin Masodi	2,365,500	1.87
8	Hiah Swee Hiang	2,020,500	1.60
9	Sai Yee @ Sia Say Yee	2,000,000	1.58
10	Lee Cheng Tim	1,966,300	1.56
11	Lee Kay Huat	1,800,000	1.42
12	Teo Peng Boon	1,751,600	1.39
13	Lim Lan Mui	1,500,000	1.19
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yahaya Bin Idris (8024282)	1,120,400	0.89
15	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kew Yuen Ching	1,000,000	0.79
16	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chu Chin (471507)	958,000	0.76
17	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Alexander Gabriel (E-SS2)	957,000	0.76
18	Tan Yee Boon	820,000	0.65
19	Thian Boon Chung	800,000	0.63
20	Yaw Choong Yew	800,000	0.63

List of Thirty (30) Largest Shareholders

As at 18 February 2013 (Cont'd)

No.	Shareholder	No. of Shares	%
21	Ng Soo Loo	790,000	0.63
22	Sim Mui Khee	788,800	0.62
23	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Musliha Binti Abdul Hamid (Margin)	760,000	0.60
24	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Badaruddin Bin Masodi (A)	760,000	0.60
25	Hew Mui Lan	700,000	0.55
26	Zaini Bin Zainuddin	667,600	0.53
27	Pau Yu Tiong	644,700	0.51
28	Tan Chin Eng	630,800	0.50
29	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Yew Fatt (B Tinggi-CL)	629,800	0.50
30	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Eng (Sec 17 PJ-CL)	616,300	0.49
TOTAL		48,479,400	38.38

LIST OF PROPERTIES								
As at 30 September 2012								
	Registered Owner	Title / Location	Description/ Existing use	Land / built up (sq.ft)	Tenure	Approximate age of buildings	Net Book Value (RM)	Year of Acquisition
1	Extol Corporation (M) Sdn Bhd	Prima Square 13-1, Block I Dataran Prima Jalan PJU 1/37 47301 Petaling Jaya Selangor Darul Ehsan	Office Lot	1,282	Freehold	14 years	267,900	Dec, 1995
2	Extol Corporation (M) Sdn Bhd	Prima Square 13-2, Block I Dataran Prima Jalan PJU 1/37 47301 Petaling Jaya Selangor Darul Ehsan	Office Lot	1,487	Freehold	14 years	176,250	Dec, 1995
3	Extol Corporation (M) Sdn Bhd	Prima Square 13-3, Block I Dataran Prima Jalan PJU 1/37 47301 Petaling Jaya Selangor Darul Ehsan	Office Lot	1,480	Freehold	14 years	176,250	Dec, 1995
4	Extol Corporation (M) Sdn Bhd	Prima Square 13-4, Block I Dataran Prima Jalan PJU 1/37 47301 Petaling Jaya Selangor Darul Ehsan	Office Lot	1,480	Freehold	14 years	176,250	Dec, 1995
5	Extol Corporation (M) Sdn Bhd	Prima Square 13-5, Block I Dataran Prima Jalan PJU 1/37 47301 Petaling Jaya Selangor Darul Ehsan	Office Lot	1,487	Freehold	14 years	176,250	Dec, 1995
6	Extol Corporation (M) Sdn Bhd	Subang Business Centre 5-5, Jalan USJ 9/5Q Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan	Office Lot	1,726	Freehold	15 years	223,310	Apr, 1995
7	Extol Corporation (M) Sdn Bhd	Subang Business Centre 7-5, Jalan USJ 9/5Q Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan	Office Lot	1,726	Freehold	15 years	223,310	Apr, 1995

EXTOL MSC BERHAD (643683-U)
(Incorporated in Malaysia)

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Homer Room, Unit G1, Ground Floor, Wisma UOA Pantai, No. 11, Jalan Pantai Jaya, 59200 Kuala Lumpur on **Thursday, 28 March 2013 at 11.00 a.m.**, to transact the following businesses:-

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 30 September 2012 and the Reports of Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-
 - (i) En. Mohd Fadzli Bin Ibrahim (Resolution 1)
 - (ii) Mr. Ku Mun Fong (Resolution 2)
3. To re-elect Dato' Ahmad Bin Ismail who retires pursuant to Article 90 of the Company's Articles of Association. (Resolution 3)
4. To re-appoint Messrs CAS & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)

SPECIAL BUSINESS:-

To consider and if thought fit, to pass the following Resolutions, with or without modifications:-

5. **ORDINARY RESOLUTION**

AUTHORITY TO ISSUE SHARES

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." (Resolution 5)

6. **SPECIAL RESOLUTION**

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

"THAT the proposed amendments to the Articles of Association of the Company as set out in the Appendix I be and is hereby approved and adopted." (Resolution 6)

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

EXTOL MSC BERHAD (643683-U)
(Incorporated in Malaysia)

NOTICE OF NINTH ANNUAL GENERAL MEETING (Cont'd)

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
WONG PEIR CHYUN (MAICSA 7018710)
Secretaries

Kuala Lumpur

Date: 6 March 2013

Notes:-

1. Notes on Appointment of Proxy
 - I. For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 61(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 21 March 2013. Only depositor whose name appears on the Record of Depositors as at 21 March 2013 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her.
 - II. A member entitled to attend and vote at this meeting is entitled to appoint two or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
 - III. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
 - IV. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
 - V. Where the authorised nominee or an exempt authorised nominees appoints more than one proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing proxies.
 - VI. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
 - VII. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting, i.e. on or before **11.00 a.m., Tuesday, 26 March 2013** or any adjournment thereof.

EXTOL MSC BERHAD (643683-U)
(Incorporated in Malaysia)

NOTICE OF NINTH ANNUAL GENERAL MEETING (Cont'd)

2. Explanatory Note

(i) Item 1 of the Agenda

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Special Business

(ii) Resolution No. 5 – Authority to Issue Shares

The proposed Resolution No. 5 is proposed for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Share Capital of the Company for such purpose as the Directors consider would be in the interest of the Company.

The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

The renewed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional cost and time. The purpose of this renewed General Mandate is for further possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisitions.

The renewal of the mandate obtained from the members at the last Annual General Meeting (“the Previous Mandate”). The Previous Mandate had been utilised for the private placement of up to 10 % of the issued share capital of the Company (“Private Placement”). Bursa Malaysia Securities Berhad had on 21 March 2012 granted its approval for the Private Placement. The Company had issued 11,484,000 ordinary shares of RM0.10 each at an issue price of RM0.13 each. The Private Placement had raised gross proceeds of RM1,492,920.00. Details and status of the utilization of proceeds from Private Placement are set out in the “Additional Corporate Information” in page 25 of this 2012 Annual Report.

(iii) Resolution No. 6 – Proposal Amendments to the Articles of Association

The proposed amendments to the Articles of Association of the Company are to comply with the amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad for facilitating some administration issues.

APPENDIX I

The existing Articles of Association (“Articles”) of the Company is proposed to be amended as set out in second column below:-

Existing	Amended
<p>Article 62</p> <p>Subject always to the provisions of Section 151 of the Act no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the report of the Directors and Auditors, the election of Directors, and the appointment and fixing of the remuneration of Auditors.</p>	<p>Article 62</p> <p>Subject always to the provisions of Section 151 of the Act no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the report of the Directors and Auditors, the appointment/re-appointment/election/re-election of Directors, fixing of remuneration and fees of Directors and the appointment and fixing of the remuneration of Auditors.</p>
<p>Article 63</p> <p>In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint two (2) or more proxies to attend and vote in his stead, and that a proxy may but need not be a member or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p>	<p>Article 63</p> <p>In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead, and that a proxy may but need not be a member or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints two (2) proxies, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. Provided always the following:-</p> <p>(a) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>(b) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is not limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.</p>

	<p>An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.</p> <p>(c) Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.</p>
<p>Article 77</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or an attorney duly authorised. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.</p>	<p>Article 77</p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or an attorney duly authorised. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. A member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the proxy's authority.</p>
<p>Article 78</p> <p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the Statues permit or in such other form as the Exchange may approve:-</p> <p style="text-align: center;">EXTOL MSC BERHAD (Company No. 643683-U)</p> <p>I/We of being a member/members of the abovenamed Company, hereby appoint of or failing whom, of as my/our proxy to vote for me/us and on my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held at (place of meeting) on the ... day of at (time of meeting) and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat.</p> <p>As witness my hand this ... day of</p> <p>No. of Shares held:</p>	<p>Article 78</p> <p>The instrument appointing a proxy shall be in the following form with such variations as circumstances may require or the Statues permit or in such other form as the Board may approve:-</p> <p style="text-align: center;">EXTOL MSC BERHAD (Company No. 643683-U)</p> <p>I/We of being a member/members of the abovenamed Company, hereby appoint of or failing whom, of as my/our proxy to vote for me/us and on my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held at (place of meeting) on the ... day of at (time of meeting) and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat.</p> <p>As witness my hand this ... day of</p> <p>No. of Shares held:</p>

Signature of Member(s)	Signature of Member(s)
<p>-----</p> <p>* Strike out whichever is not desired, (Unless otherwise instructed, the proxy may vote as he thinks fit.)</p> <p>Note: A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.</p> <p>To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the form of proxy, other than the particulars of the proxy have been duly completed by the member(s).</p> <p>A member shall be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be presented by each proxy.</p> <p>Where a member is an authorised nominee as defined under the Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>If the appointer is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.</p>	<p>-----</p> <p>* Strike out whichever is not desired, (Unless otherwise instructed, the proxy may vote as he thinks fit.)</p> <p>Note: A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.</p> <p>To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the form of proxy, other than the particulars of the proxy have been duly completed by the member(s).</p> <p>A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be presented by each proxy.</p> <p>Where a member is an authorised nominee as defined under the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.</p> <p>If the appointer is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.</p>
No provision	<p>Article 126a</p> <p>A resolution in writing signed or approved by letter or telefax or other electronic means by the members of a committee who may at the time be present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the committee duly called and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members of the committee all of which taken together and when delivered to the secretary of the committee shall constitute one and the same regulation.</p>

<p>Article 138</p> <p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors and Auditors reports shall not exceed four (4) months. A copy of each such document shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of the meeting pursuant to Article 156), be sent to every member of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.</p>	<p>Article 138</p> <p>The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting, such profit and loss accounts, balance sheets and reports as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors and Auditors reports shall not exceed four (4) months. A copy of each such document in printed form or in CD-ROM form or in such other form of electronic media, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of the meeting pursuant to Article 156), be sent to every member of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by the Exchange upon which the Company's shares may be listed, shall at the same time be likewise sent to the Exchange provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or outside Malaysia but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a member requires a printed form of such documents, the Company shall send such documents to the members within four (4) market days from the date of receipt of the members' request or such period as may be prescribed by Bursa Securities.</p>
<p>Article 163</p> <p>The Company shall not delete, amend or add to any of these Articles which have been previously approved by the Exchange, unless prior written approval has been sought and obtained by the Exchange for such deletion, amendment or addition.</p>	<p>Article 163</p> <p>(Deleted)</p>

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FORM OF PROXY
EXTOL MSC BERHAD (643683-U)
(Incorporated in Malaysia)

I/We NRIC No.
(Full Name in Capital Letters)

of
(Full Address)

being a member(s) of **EXTOL MSC BHD** (Company No.: 643683-U) hereby appoint
(Full Name in Capital Letters)

of
(Full Address)

or failing whom, of as my/our proxy to vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Homer Room, Unit G1, Ground Floor, Wisma UOA Pantai, No. 11, Jalan Pantai Jaya, 59200 Kuala Lumpur on **Thursday, 28 March 2013 at 11.00 a.m.** and at any adjournment thereof for/against* the resolution(s) to be proposed thereat. The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Item	Agenda	Resolution	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 September 2012 and the Reports of Directors and Auditors thereon.			
2. (i)	Re-election of En. Mohd Fadzli Bin Ibrahim as Director of the Company pursuant to Article 84 of the Company's Articles of Association.	1		
2. (ii)	Re-election of Mr. Ku Mun Fong as Director of the Company pursuant to Article 84 of the Company's Articles of Association.	2		
3.	Re-election of Dato' Ahmad Bin Ismail as Director of the Company pursuant to Article 90 of the Company's Articles of Association.	3		
4.	Re-appointment of Messrs CAS & Associates as Auditors and authorise the Directors to fix their remuneration.	4		
5.	Special Business Authority to the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.	5		
6.	Proposed Amendments to the Articles of Association.	6		

Signed this day of 2013.

Number of shares held:-	
CDS account no.:-	

Signature of Shareholder or Common Seal

* Strike out whichever is not desired.

Notes:-

- I. For the purpose of determining a member who shall entitle to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 61(2) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 21 March 2013. Only depositor whose name appears on the Record of Depositors as at 21 March 2013 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her.
- II. A member entitled to attend and vote at this meeting is entitled to appoint two or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- III. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- IV. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- V. Where the authorised nominee or an exempt authorised nominees appoints more than one proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing proxies.
- VI. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
- VII. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting, i.e. on or before **11.00 a.m., Tuesday, 26 March 2013** or any adjournment thereof.

EXTOL

ADVANCING EXCELLENCE

EXTOL MSC BERHAD

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Certifications :



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CERT NO. AR 4223



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CERTIFIED TO ISO 9001:2008
CERT NO. AR 4485



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