

MLABS SYSTEMS BERHAD
(Company No. 653227-V)

Quarterly report on condensed consolidated results for the second quarter ended 30 June 2007. The figures have not been audited.
(Financial year ending 31 December 2007)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative Quarter Current year to date ended 30 June 2007 RM'000	Cumulative Quarter Preceding year corresponding year to date ended 30 June 2006 RM'000
Profit before taxation	(378)	(1,072)
Depreciation & amortisation	1,200	735
Interest income	(57)	(65)
Interest expense	-	-
Gain on disposal of fixed assets	-	(4)
	<hr/> 765	<hr/> (406)
(Increase) in inventory	(65)	(3)
(Increase) in receivables	(255)	(1,376)
(Decrease)/Increase in payables	(1,948)	827
	<hr/> (1,503)	<hr/> (958)
Cash used in operating activities		
Interest income	57	65
	<hr/> (1,446)	<hr/> (893)
Cash used in operating activities		
Cash flow from investing activities		
Additions of property, plant & equipment	(30)	(375)
Proceeds from disposal of property, plant & equipment	-	5
	<hr/> (30)	<hr/> (370)
Cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Share issue expenses	-	-
Interest expense	-	-
	<hr/> -	<hr/> -
Cash generated from financing activities		
Net decrease in cash & cash equivalents	(1,476)	(1,263)
Cash & cash equivalents brought forward	6,568	8868
Cash & cash equivalents carried forward	<hr/> 5,092 <hr/>	<hr/> 7,605 <hr/>

NOTE:

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.