

MLABS SYSTEMS BERHAD

(Company No. 653227-V)

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 30 Sept 2007 RM'000	Preceding year corresponding quarter ended 30 Sept 2006 RM'000	Current year to date ended 30 Sept 2007 RM'000	Preceding year corresponding period to date 30 Sept 2006 RM'000
Revenue	1,003	3,658	4,057	6,017
Cost of Sales	(426)	(578)	(897)	(1983)
Gross Profit	577	3,080	3,160	4,034
Other income	(10)	51	85	155
Selling and distribution expenses	(732)	(448)	(1,792)	(1132)
Administration expenses	(830)	(809)	(2,437)	(2217)
Other expenses	(196)	-	(586)	(38)
Profit/(loss) from operations	(1,191)	1,874	(1,570)	802
Finance cost	-	-	-	-
Profit/(loss) before taxation	(1,191)	1,874	(1,570)	802
Income tax (expenses)/refund		-		-
Profit/(loss) after taxation	(1,191)	1,874	(1,570)	802
Profit/(loss) per share				
- Basic (Sen)	(1.16)	1.83	(1.52)	0.79
- Diluted (Sen)	NA	NA	NA	NA

NOTE:

The condensed consolidated income statements 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.

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As At September 2007	30 September 2007	As At December 2006	31 December 2006
	RM'000		RM'000	
Non-current assets				
Property, plant & equipment		1,288		1,350
Intangible assets		8,970		10,581
Other investments		1,000		300
Total non-current assets		11,258		12,231
Current assets				
Inventory		250		194
Receivables		7,751		7,784
Cash & bank balances		4,202		6,568
Total current assets		12,203		14,546
Total assets		23,461		26,777
Equity				
Share capital		10,296		10,296
Share premium		9,767		9,767
Retained earnings		2,484		4,054
Total equity		22,547		24,117
Current liabilities				
Payables		910		2,635
Taxation		4		25
Total current liabilities		914		2,660
Total equity and liabilities		23,461		26,777
Net asset per share attributable to ordinary equity holder		21.90		23.42

NOTE:

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Cumulative Quarter Current year to date ended Sept 2007 RM'000	Cumulative Quarter Preceding year corresponding year to date ended Sept 2006 RM'000
Profit/(losses) before taxation	(1,570)	802
Depreciation & amortisation	1,805	1,105
Interest income	(118)	(116)
Interest expense	-	-
Gain on disposal of fixed assets	-	(4)
	117	1,787
(Increase) in inventory	(56)	(90)
(Increase) in receivables	33	(5,031)
(Decrease)/Increase in payables	(1,725)	1,248
Cash used in operating activities	(1,631)	(2,086)
Interest income	118	116
Cash used in operating activities	(1,513)	(1,970)
Cash flow from investing activities		
Investment in Unquoted Shares	(700)	-
Additions of property, plant & equipment	(132)	(461)
Proceeds from disposal of property, plant & equipment	-	5
Tax paid	(21)	-
Cash used in investing activities	(853)	(456)
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Share issue expenses	-	-
Interest expense	-	-
Cash generated from financing activities	-	-
Net decrease in cash & cash equivalents	(2,366)	(2,426)
Cash & cash equivalents brought forward	6,568	8868
Cash & cash equivalents carried forward	4,202	6,442

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF EQUITY

9 Months ended 30 Sept 2007	Share capital RM'000	Share premium RM'000	Option Reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2007	10,296	9,735	32	4,054	24,117
Profit/(losses) for the period	-	-	-	(1,570)	(1,570)
ESOS issued and fully exercised	-	-	-	-	-
Balance at 30 Sept 2007	<u>10,296</u>	<u>9,735</u>	<u>32</u>	<u>2,484</u>	<u>22,547</u>

9 Months ended 30 Sept 2006	Share capital RM'000	Share premium RM'000	Option Reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2006	10,216	9,639	-	2,552	22,407
Profit for the period	-	-	-	802	802
ESOS issued and fully exercised	-	-	-	-	-
Balance at 30 Sept 2006	<u>10,216</u>	<u>9,639</u>	<u>-</u>	<u>3,354</u>	<u>23,209</u>

NOTE:

The condensed consolidated statement of equity 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.