

**MLABS SYSTEMS BERHAD**

(Company No. 653227-V)

Quarterly report on condensed consolidated results for the fourth quarter ended 31 December 2007.

The figures have not been audited.

(Financial year ending 31 December 2007)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF EQUITY**

<b>12 Months ended 31 Dec 2007</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Option Reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
Balance as at 1 January 2007	10,296	9,735	32	4,054	24,117
Profit for the period	-	-	-	(8,581)	(8,581)
ESOS issued and fully exercised	-	-	-	-	-
Balance at 31 Dec 2007	<u>10,296</u>	<u>9,735</u>	<u>32</u>	<u>(4,527)</u>	<u>15,536</u>

<b>12 Months ended 31 Dec 2006</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Option Reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
Balance as at 1 January 2006	10,216	9,639	-	2,552	22,407
Profit for the period	-	-	-	1,502	1,502
ESOS issued and fully exercised	80	96	32	-	208
Balance at 31 Dec 2006	<u>10,296</u>	<u>9,735</u>	<u>32</u>	<u>4,054</u>	<u>24,117</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.