

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 CASH FLOW STATEMENTS

	Cumulative Quarter Current year to date ended 31 Dec 2007 RM'000	Cumulative Quarter Preceding year corresponding year to date ended 31 Dec 2006 RM'000
Profit before taxation	(8,591)	1,503
Depreciation & amortisation	2,396	1,785
Interest income	(130)	(157)
Allowance for diminution in investment	300	-
Gain on disposal of fixed assets	-	(4)
	<u>(6,025)</u>	<u>3,127</u>
(Increase) in inventory	(30)	-
(Increase) in receivables	(1,197)	(3,575)
(Increase) in doubtful debts	5,314	-
(Decrease)/Increase in payables	474	1,944
Cash used in operating activities	(1,464)	1,496
Interest income	130	157
Cash used in operating activities	(1,334)	1,653
Cash flow from investing activities		
Investment in unquoted share	(700)	-
Additions of property, plant & equipment	(33)	(4,166)
Proceeds from disposal of property, plant & equipment	(1)	5
Tax paid	(15)	-
Cash used in investing activities	(749)	(4,161)
Cash flows from financing activities		
Proceeds from issue of shares	-	208
Share issue expenses	-	-
Interest expense	-	-
Cash generated from financing activities	-	208
Net decrease in cash & cash equivalents	(2,083)	(2,300)
Cash & cash equivalents brought forward	6,568	8,868
Cash & cash equivalents carried forward	4,485	6,568

NOTE:

The condensed consolidated cash flow statement should be read in conjunction with the audited financial