



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The Second Quarter Ended 30 June 2008
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
		30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Revenue		3,356	3,963	7,207	9,126
Cost of sales	A1	(1,177)	(2,443)	(2,749)	(3,704)
Gross profit		<u>2,179</u>	<u>1,520</u>	<u>4,458</u>	<u>5,422</u>
Other operating income		98	71	184	139
Selling and distribution expenses	A1	(411)	(934)	(752)	(1,405)
Administrative expenses	A1	(1,171)	(1,188)	(2,126)	(2,230)
Other operating expenses		(260)	(210)	(483)	(401)
Profit / (Loss) before taxation		<u>435</u>	<u>(741)</u>	<u>1,281</u>	<u>1,525</u>
Taxation	B4	(67)	(67)	(133)	(134)
Profit / (Loss) after taxation		<u>368</u>	<u>(808)</u>	<u>1,148</u>	<u>1,391</u>
Earnings per share (sen):					
Basic	B12	0.29	(0.63)	0.90	1.09
Diluted	B12	N/A	(0.64)	N/A	1.09

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2008

	Unaudited as at 30 June 08 RM'000	Audited as at 31 December 07 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	894	949
Software development expenditure incurred	6,813	6,475
Goodwill on consolidation	2,818	2,818
	<u>10,525</u>	<u>10,242</u>
CURRENT ASSETS		
Trade receivables	5,114	3,375
Other receivables, deposits and prepayments	1,523	1,233
Amount due from contract customers	1,235	732
Short-term investments	9,542	9,922
Fixed deposits with licensed financial institutions	2,527	2,527
Cash and bank balances	1,180	3,158
	<u>21,121</u>	<u>20,947</u>
CURRENT LIABILITIES		
Trade payables	122	146
Other payables and accruals	868	891
Amount due to joint venture partner	42	-
Deferred maintenance income	2,812	2,229
Taxation liabilities	27	-
	<u>3,871</u>	<u>3,266</u>
NET CURRENT ASSETS	17,250	17,681
NET ASSETS	<u>27,775</u>	<u>27,923</u>
REPRESENTED BY:		
Issued capital	12,741	12,741
Reserves	15,034	15,182
SHAREHOLDERS' EQUITY	<u>27,775</u>	<u>27,923</u>
Net assets per share (RM)	<u>0.22</u>	<u>0.22</u>

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Second Quarter Ended 30 June 2008
(The figures have not been audited)

	Issued capital	Distributable reserve	Non-distributable reserve			Total RM'000
	Share capital RM'000	Retained profits RM'000	Share premium RM'000	Equity compensation reserve RM'000	Currencies translation reserve RM'000	
<u>6 months ended 30 June 2007</u>						
At 1 January 2007 (audited)	12,741	12,277	3,467	55	-	28,540
Profit for the financial period	-	1,391	-	-	-	1,391
ESOS expenses	-	-	-	9	-	9
Dividend		(1,274)				(1,274)
At 30 June 2007	<u>12,741</u>	<u>12,394</u>	<u>3,467</u>	<u>64</u>	<u>-</u>	<u>28,666</u>
<u>6 months ended 30 June 2008</u>						
At 1 January 2008 (audited)	12,741	11,629	3,467	87	-	27,924
Profit for the financial period	-	1,148	-	-		1,148
ESOS expenses	-	-	-	16		16
Dividend		(1,274)				(1,274)
Currencies translation differences					(39)	(39)
At 30 June 2008	<u>12,741</u>	<u>11,503</u>	<u>3,467</u>	<u>103</u>	<u>(39)</u>	<u>27,775</u>

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Second Quarter Ended 30 June 2008
(The figures have not been audited)



	Current Year 6 months ended	Preceding Year Corresponding period
Note	30 June 2008 RM'000	30 June 2007 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	5,953	10,300
Payment to suppliers and employees	(6,332)	(7,685)
Payment of income tax expense	(130)	(137)
Net cash (used in) / from operating activities	<u>(509)</u>	<u>2,478</u>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Withdrawal from short term investment	380	348
Purchase of property, plant and equipment	(176)	(218)
Software development expenditure incurred	(625)	(1,070)
Interest received	184	139
Net cash used in investing activities	<u>(237)</u>	<u>(801)</u>
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITY		
Loan from joint venture partner	42	-
Listing expenses	-	(26)
Dividend paid	(1,274)	(1,274)
Net cash used in financing activity	<u>(1,232)</u>	<u>(1,300)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,978)	377
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,685	4,674
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>3,707</u>	<u>5,051</u>
A12		

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Second Quarter Ended 30 June 2008

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for MESDAQ Market and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2007.

A2 Audit report of preceding annual financial statements

The preceding annual audited financial statements for the financial year ended 31 December 2007 were not subjected to any qualification.

A3 Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

A6 Dividend paid

The Board of Directors of the Company had approved the payment of a tax exempt final dividend of 1.00 sen per share in respect of financial year ended 31 December 2007 amounted RM1,274,060. The dividend was paid on 19th May 2008 to the depositors registered in the Record of Depositors of the Company at the close of business as at 5th May 2008.

A7 Segmental information

Segmental information for the Group by geographical segment is presented as follows:

	Current quarter 30 June 2008 RM'000	Cumulative 30 June 2008 RM'000
<u>Segment Revenue</u>		
Malaysia	2,966	6,237
Overseas	390	970
	<u>3,356</u>	<u>7,207</u>
<u>Segment Gross profit</u>		
Malaysia	1,981	3,972
Overseas	198	486
	<u>2,179</u>	<u>4,458</u>

No segmental information based on business activity is presented as the Group is principally engaged in the provision of information technology solutions to the financial services industry.

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)



A8 Valuation of property, plant and equipment

The Group did not carry out any valuation of its property, plant and equipment.

A9 Material events subsequent to the end of the quarter

There have been no material events subsequent to the end of the quarter.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A11 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 8 August 2008 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A12 Cash and cash equivalents

	Current year as at 30 June 2008 RM'000
Cash and bank balances	1,180
Fixed deposits with licensed financial institutions	<u>2,527</u>
	<u>3,707</u>

Included in fixed deposits with licensed financial institutions is an amount of RM2.53 million pledged to a licensed bank as security for banking facilities totaling RM2.50 million granted to the Group.



B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 Review of performance

For the current quarter ended 30 June 2008, the Group recorded a revenue of RM3.36 million, contributed mainly from on going projects undertaken (56%) and maintenance (44%). The Group recorded a profit before taxation of RM0.44 million and a profit after taxation of RM0.37 million for the quarter under review.

B2 Prospects

The Group has embarked on a comprehensive upgrade of its flagship MiBS banking suite which will substantially enhance the functionalities and capabilities of the solution. These changes will represent the next generation of banking software requirements in the industry. An innovation lab has been set up in Melbourne, Australia for the purpose of collaborating with leading experts in banking solutions as part of the research and development initiatives. A strategic partnership will be established with these experts in the near future.

The Group has deployed a team of marketing and technically experienced personnel to the joint venture company in Kuwait, to enhance the Group's capabilities in addressing the large potential in Middle East and North Africa region. The marketing efforts in Indonesia which targeted Islamic Banks and co-operatives are expected to generate more opportunities in the medium term.

The Board is optimistic that the Group's performance will be satisfactory, barring any unforeseen circumstances.

B3 Profit forecast or guarantee

There were no profit forecast or profit guarantee issued by the Group and the Company.

B4 Taxation

	Current quarter 30 June 2008 RM'000	Cumulative 30 June 2008 RM'000
Malaysia Income Tax	67	133
	<u>67</u>	<u>133</u>

The effective tax rate for the period under review is lower than the statutory income tax rate due to tax exempt income of the Company arising from its pioneer status granted under the Promotion of Investments Act, 1986 (Amendments) pursuant to its MSC status entitlement under the MSC Bill of Guarantees effective from 1 September 2004 to 31 August 2009.

B5 Unquoted investments and properties

There were no purchase or disposal of unquoted investments and properties during the financial period under review.

B6 Quoted securities

There were no acquisitions or disposals of quoted securities during the financial period under review.

B7 Corporate exercise and utilisation of listing proceeds

The Company established the Employee Share Option Scheme ("ESOS") which entails the granting of ESOS Options to the eligible Directors and employees of the Group to subscribe for new Shares up to a maximum of 10% of the issued and paid up share capital at any point in time during the 5 years tenure of the ESOS ("ESOS Period") from 27 April 2006 to 26 April 2011, subject to the terms and conditions of the By-Laws.

An additional 936,300 options approved by the Option Committee were granted in year 2007 and may be exercised in accordance with the following percentages in each year as follows:-

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Percentage of options exercisable during ESOS Period	0%	0%	40%	20%*	40%*

* 20% and the remaining number of options unexercised from the previous year(s), as the case may be.



B EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET (Cont'd)

B8 Group's borrowings and debt securities

The Group has unutilised secured banking facilities totaling RM2.50 million, denominated in Ringgit Malaysia as at the end of the reporting period.

B9 Off balance sheet financial instruments

The Group has not entered into any contract involving off balance sheet financial instruments as at the date of this announcement.

B10 Material litigation

The Group is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this announcement.

B11 Dividends

No dividend has been declared in respect of the current quarter under review.

B12 Earnings per share

	Individual Quarter 30 June 2008	Cumulative Quarter 30 June 2008
Basic earnings per share		
The calculation of the basic earnings per share is based on the net profit for the financial quarter and period under review divided by the weighted average number of ordinary shares of RM0.10 in issue.		
Profit attributable to ordinary shareholders (RM'000)	368	1,148
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	0.29	0.90

The diluted earnings per share is not presented in the consolidated income statement as the effect of the assumed conversion of outstanding ESOS option is anti-dilutive.

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 August 2008.

**MICROLINK SOLUTIONS BERHAD (620782-P)
15 August 2008**