



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The Third Quarter Ended 30 September 2006
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding Quarter	To date	Corresponding Period
		30 September 2006 RM'000	30 September 2005 RM'000	30 September 2006 RM'000	30 September 2005 RM'000
Revenue		4,408	N/A	14,951	N/A
Cost of sales		(2,352)	N/A	(7,898)	N/A
Gross profit		2,056	N/A	7,053	N/A
Other operating income		86	N/A	169	N/A
Selling and distribution expenses		(242)	N/A	(448)	N/A
Administrative expenses		(789)	N/A	(2,475)	N/A
Other operating expenses		(188)	N/A	(588)	N/A
Profit before taxation		923	N/A	3,711	N/A
Taxation	B4	(11)	N/A	(188)	N/A
Profit after taxation		912	N/A	3,523	N/A
Earnings per share (sen):					
Basic	B12	0.715	N/A	2.994	N/A
Diluted	B12	0.708	N/A	2.975	N/A

Note:

This is prepared based on the consolidated results of the Group for the financial period ended 30 September 2006. The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's Audited Financial Statement for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

* This is the first Interim Financial Statements on the consolidated results for the financial period ended 30 September 2006 announced by the Company upon the admission of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad. As this is the first year of reporting, there are no comparative figures for the preceding year's corresponding quarter and period.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2006

	Unaudited as at 30 September 06 RM'000	Audited as at 31 December 05 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	716	689
Software development expenditure incurred	4,687	3,334
Goodwill on consolidation	2,818	2,818
CURRENT ASSETS		
Trade receivables	8,065	3,603
Other receivables, deposits and prepayments	882	1,054
Amount due from contract customers	2,260	1,541
Cash and bank balances	13,182	7,521
	<u>24,389</u>	<u>13,719</u>
CURRENT LIABILITIES		
Trade payables	695	478
Other payables and accruals	1,293	615
Deferred maintenance income	3,222	1,658
Taxation liabilities	5	1
Interim dividend payable	1,274	-
	<u>6,489</u>	<u>2,752</u>
NET CURRENT ASSETS	17,900	10,967
DEFERRED LIABILITY		
Deferred tax liabilities	(519)	(519)
NET ASSETS	<u>25,602</u>	<u>17,289</u>
REPRESENTED BY:		
Issued capital	12,741	1,100
Reserves	12,861	16,189
SHAREHOLDERS' EQUITY	<u>25,602</u>	<u>17,289</u>
Net assets per share (RM)	<u>0.20</u>	<u>26.20</u>

Note:

The unaudited condensed consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

Net assets per share as at 30 September 2006 is arrived at based on the net assets of RM25.60 million over the number of ordinary shares of 127,406,000 shares of RM0.10 each. Net assets per share as at 31 December 2005 was arrived at based on the net assets of RM17.29 million over the number of ordinary shares of 660,000 shares of RM1.00 each.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Third Quarter Ended 30 September 2006
(The figures have not been audited)

	Issued capital		Distributable reserve	Non-distributable reserve		
	Share capital	Redeemable convertible preference shares	Retained profits	Share premium	Equity compensation reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12 months ended 31 December 2005</u>						
At 1 January 2005 (audited)	660	440	3,277	7,900	-	12,277
Profit for the financial year	-	-	5,012	-	-	5,012
At 31 December 2005 (audited)	<u>660</u>	<u>440</u>	<u>8,289</u>	<u>7,900</u>	<u>-</u>	<u>17,289</u>
<u>9 months ended 30 September 2006</u>						
At 1 January 2006 (audited)	660	440	8,289	7,900	-	17,289
Conversion of preference shares	440	(440)	-	-	-	-
Restricted issue of ordinary shares	115	-	-	1,245	-	1,360
Issued pursuant to bonus issue	10,326	-	(1,181)	(9,145)	-	-
Initial public offerings	1,200	-	-	4,680	-	5,880
Listing expenses	-	-	-	(1,213)	-	(1,213)
Interim dividend	-	-	(1,274)	-	-	(1,274)
Profit for the financial period	-	-	3,523	-	-	3,523
ESOS expenses	-	-	-	-	37	37
At 30 September 2006	<u>12,741</u>	<u>-</u>	<u>9,357</u>	<u>3,467</u>	<u>37</u>	<u>25,602</u>

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Third Quarter Ended 30 September 2006
(The figures have not been audited)



	Current Year 9 months ended	Preceding Year Corresponding period
Note	30 September 2006 RM'000	30 September 2005 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	12,263	N/A
Payment to suppliers and employees	(11,130)	N/A
Payment of income tax expense	(122)	N/A
Net cash from operating activities	1,011	N/A
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(196)	N/A
Software development expenditure incurred	(2,029)	N/A
Interest received	169	N/A
Net cash used in investing activities	(2,056)	N/A
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Issue of shares	7,240	N/A
Listing expenses	(534)	N/A
Net cash from financing activities	6,706	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,661	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,521	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	13,182	N/A
A12		

Note:

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

* This is the first Interim Financial Statements on the consolidated results for the financial period ended 30 September 2006 announced by the Company upon the admission of the Company on the MESDAQ Market of Bursa Malaysia Securities Berhad. As this is the first year of reporting, there are no comparative figures for the preceding year's corresponding period.



MICROLINK SOLUTIONS BERHAD (620782-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Third Quarter Ended 30 September 2006

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 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2005. 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 2005.

The MASB issued a total of 21 new and amended Financial Reporting Standards and other Interpretations (herein thereafter referred as FRSs). 18 and 2 FRSs are effective for financial statements commencing 1 January 2006 and 1 October 2006 respectively. Other than as explained in the foregoing paragraph, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2005.

Up to 31 December 2005, the Group's consolidated financial statements were prepared in accordance with MASB standards with effective dates before 1 January 2006.

The adoption of the new FRSs has no material effect on the results and financial position of the current and prior periods.

A2 Audit report of preceding annual financial statements

The preceding annual audited financial statements for the financial year ended 31 December 2005 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

No dividend has been paid in the current quarter under review.



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

A7 Segmental information

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

	Current quarter	Cumulative
	RM'000	30 September 2006
		RM'000
<u>Segment Revenue</u>		
Malaysia	3,962	12,910
Overseas	446	2,041
	<u>4,408</u>	<u>14,951</u>
 <u>Segment Gross profit</u>		
Malaysia	1,660	5,291
Overseas	396	1,762
Profit from operations	<u>2,056</u>	<u>7,053</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.

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 **23 November 2006** (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 September 2006
	RM'000
Cash on hand and at banks	10,630
Fixed deposits with licensed financial institutions	<u>2,552</u>
	<u>13,182</u>

Included in fixed deposits with licensed financial institutions is an amount of RM2.55 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 B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 Review of performance

For the current quarter ended 30 September 2006, the Group recorded a revenue of RM4.41 million, contributed mainly from on going projects undertaken (47%) and maintenance (40%). In line with the revenue recorded, the Group recorded a profit before taxation of RM0.92 million and a profit after taxation of RM0.91 million.

For the current year to date ended 30 September 2006, the Group recorded a revenue of RM14.95 million, contributed mainly from on going projects undertaken (66%) and maintenance (28%). In line with the revenue recorded, the Group recorded a profit before taxation of RM3.71 million and a profit after taxation of RM3.52 million.

B2 Prospects

After having established ourselves in Malaysia, we believe our efforts in promoting our Islamic banking solutions to overseas market will brighten our middle to long-term overseas prospects and therefore allow the Group to expand its revenue stream from domestic to overseas markets. Within the next five years, we anticipate to derive higher revenue from overseas ventures. We are rapidly laying the foundation to secure new businesses in Asia, the Middle East and North Africa. The group performance to-date has been partially affected by the delay in awards of certain projects. The management is working hard to try and secure these projects without further delays.

B3 Profit forecast or guarantee

Not applicable as this is not the final quarter's results for the Group. Disclosure on explanatory note for the variance between actual and forecasted results would only be required in the final quarter results for the Group.

B4 Taxation

	Current quarter 30 September 2006 RM'000	Cumulative 30 September 2006 RM'000
Income tax	11	188

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.

A total of 5,818,900 options approved by the Option Committee were granted 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%	40%	20%*	20%*	20%*

* 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)

B7 Corporate exercise and utilisation of listing proceeds (Cont'd)

The status of the planned utilisation of the total gross proceeds from the listing exercise as at 30 September 2006 is set out below:-

	Proposed utilisation	Actual utilisation	Balance amount	
	RM'000	RM'000	RM'000	%
1. R&D expenditure	2,225	535	1,690	76
2. Working capital requirements *	3,515	663	3,139	89
3. Listing expenses *	1,500	1,213	0	0
	7,240	2,411	4,829	67

* As stated in our Prospectus dated 2 June 2006, the remaining amount not utilised for the listing expenses of RM287,000 shall be utilised for our working capital requirements.

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

The Board of Directors of the Company had on 23 August 2006 approved the payment of a first tax exempt interim dividend of 1.00 sen per share in respect of the financial year ending 31 December 2006 amounting to RM1,274,060. The dividend was paid on 3 October 2006 to the depositors registered in the Record of Depositors of the Company at the close of business as at 19 September 2006.



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

B12 Earnings per share

	Individual Quarter 30 September 2006	Cumulative Quarter 30 September 2006
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)	912	3,523
Number of ordinary shares of RM1.00 each		
At the beginning of the quarter	660,000	660,000
Conversion of Redeemable Convertible Preference Shares	440,000	275,604
Issuance of restricted issue	114,800	66,021
	<u>1,214,800</u>	<u>1,001,625</u>
Sub-division of every 1 existing ordinary share of RM1.00 each to 10 ordinary shares of RM0.10 each	12,148,000	10,016,249
Bonus issue of new ordinary shares of RM0.10 each	103,258,000	103,258,000
Public issue of new ordinary shares of RM0.10 each	12,000,000	4,395,604
Weighted average number of ordinary shares of RM0.10 each in issue	<u>127,406,000</u>	<u>117,669,853</u>
Basic earnings per share (sen)	<u>0.715</u>	<u>2.994</u>

Fully diluted earnings per share

The calculation of the diluted earnings per share is based on the net profit for the financial period under review divided by the adjusted weighted average number of ordinary shares of RM0.10 each in issue and the assumed exercised of share options granted under the ESOS scheme.

Profit attributable to ordinary shareholders (RM'000)	912	3,523
Weighted average number of shares used in the calculation of basic earning per ordinary share	127,406,000	117,669,853
ESOS:		
Weighted average number of unissued shares available under option	5,818,900	3,346,400
Number of shares that would have been issued at fair value	(4,525,811)	(2,602,755)
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	<u>128,699,089</u>	<u>118,413,498</u>
Fully diluted earnings per share (sen)	<u>0.708</u>	<u>2.975</u>

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 28 November 2006.

MICROLINK SOLUTIONS BERHAD (620782-P)

28 November 2006