



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT

For The First Quarter Ended 31 March 2009

(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
		31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Revenue	B1	3,610	3,851	3,610	3,851
Cost of sales		(1,388)	(1,572)	(1,388)	(1,572)
Gross profit		<u>2,222</u>	<u>2,279</u>	<u>2,222</u>	<u>2,279</u>
Other operating income		67	86	67	86
Selling and distribution expenses		(185)	(341)	(185)	(341)
Administrative expenses	B1	(1,473)	(955)	(1,473)	(955)
Other operating expenses	B1	(519)	(223)	(519)	(223)
Share of results of jointly controlled entity	B1	(333)	-	(333)	-
(Loss) / Profit before taxation	B1	<u>(221)</u>	<u>846</u>	<u>(221)</u>	<u>846</u>
Taxation	B4	(39)	(66)	(39)	(66)
(Loss) / Profit after taxation		<u>(260)</u>	<u>780</u>	<u>(260)</u>	<u>780</u>
Attributable to :					
Equity holders of the company		(335)	-	(335)	-
Minority Interest		75	-	75	-
		<u>(260)</u>	<u>780</u>	<u>(260)</u>	<u>780</u>
(Loss) / Earnings per share (sen):					
Basic	B12	(0.26)	0.61	(0.26)	0.61
Diluted	B12	N/A	N/A	N/A	N/A

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2009

	Unaudited as at 31 March 09 RM'000	Audited as at 31 December 08 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,464	1,401
Software development expenditure	10,564	9,037
Interests in a jointly controlled entity	-	333
Goodwill on consolidation	2,818	2,818
	<u>14,846</u>	<u>13,589</u>
CURRENT ASSETS		
Trade receivables	3,771	3,771
Other receivables, deposits and prepayments	1,776	1,161
Amount due from contract customers	609	389
Short-term investments	6,577	8,594
Fixed deposits with licensed financial institutions	2,515	2,515
Cash and bank balances	1,985	2,466
	<u>17,233</u>	<u>18,896</u>
CURRENT LIABILITIES		
Trade payables	146	159
Other payables and accruals	538	754
Deferred maintenance income	2,568	2,486
Taxation liabilities	19	-
	<u>3,271</u>	<u>3,399</u>
NET CURRENT ASSETS	13,962	15,497
DEFERRED LIABILITY		
Deferred tax liabilities	198	198
NET ASSETS	<u>28,610</u>	<u>28,888</u>
REPRESENTED BY:		
Issued capital	12,741	12,741
Reserves	15,793	16,146
Shareholders' equity	<u>28,534</u>	<u>28,887</u>
Minority interest	76	1
	<u>28,610</u>	<u>28,888</u>
Net assets per share (RM)	<u>0.22</u>	<u>0.23</u>

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The First Quarter Ended 31 March 2009
(The figures have not been audited)

	Attributable to equity shareholders							Total
	Issued capital	Distributable reserve	Non-distributable reserves			Minority interests	Total	
	Ordinary shares	Unappropriated profits	Share premium	Equity compensation reserve	Currencies translation reserve			
<u>3 months ended 31 March 2008</u>								
At 1 January 2008 (audited)	12,741	11,629	3,467	87	-	27,924	-	27,924
Profit for the financial period	-	780	-	-	-	780	-	780
ESOS expenses	-	-	-	8	-	8	-	8
At 31 March 2008	<u>12,741</u>	<u>12,409</u>	<u>3,467</u>	<u>95</u>	<u>-</u>	<u>28,712</u>	<u>-</u>	<u>28,712</u>
<u>3 months ended 31 March 2009</u>								
At 1 January 2009 (audited)	12,741	12,663	3,467	156	(140)	28,887	1	28,888
(Loss) / Profit for the financial period		(335)				(335)	75	(260)
ESOS expenses				14		14		14
Currencies translation differences					(32)	(32)		(32)
At 31 March 2009	<u>12,741</u>	<u>12,328</u>	<u>3,467</u>	<u>170</u>	<u>(172)</u>	<u>28,534</u>	<u>76</u>	<u>28,610</u>

Note:
These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The First Quarter Ended 31 March 2009
(The figures have not been audited)



	Current Year 3 months ended 31 March 2009 RM'000	Preceding Year Corresponding period 31 March 2008 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	2,432	3,038
Payment to suppliers and employees	(3,322)	(2,886)
Payment of income tax expense	171	(63)
Net cash (used in) / from operating activities	(719)	89
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(163)	(57)
Software development expenditure incurred	(1,679)	(337)
Interest received	67	84
Net cash used in investing activities	(1,775)	(310)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,494)	(221)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,575	15,607
CURRENCIES TRANSLATION DIFFERENCE	(4)	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11,077	15,386

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

MICROLINK SOLUTIONS BERHAD (620782-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The First Quarter Ended 31 March 2009

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 ("Bursa Securities") for MESDAQ Market and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2008. 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 2008.

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 2008.

A2 Audit report of preceding annual financial statements

The preceding annual audited financial statements for the financial year ended 31 December 2008 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.

A7 Segmental information

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

	Current quarter 31 March 2009 RM'000	Cumulative 31 March 2009 RM'000
<u>Segment Revenue</u>		
Malaysia	3,285	3,285
Overseas	325	325
	<u>3,610</u>	<u>3,610</u>
<u>Segment Gross Profit</u>		
Malaysia	1,904	1,904
Overseas	318	318
	<u>2,222</u>	<u>2,222</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 12 May 2009 (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
31 March 2009
RM'000**

Cash and bank balances	8,562
Fixed deposits with licensed financial institutions	2,515
	<hr/>
	11,077
	<hr/>

Included in fixed deposits with licensed financial institutions is an amount of RM2.51 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 31 March 2009, the Group recorded revenue of RM3.61 million as compared to RM3.85 million in the corresponding quarter of the preceeding year, contributed mainly from on-going projects (58%) and maintenance income (42%).

The higher administrative expenses in the current quarter were mainly due to expenses incurred by the Indonesia subsidiary, higher staff costs and higher rental expenses following the relocation of our Kuala Lumpur office from Angkasa Raya Building to Menara Atlan (previously known as Menara Naluri) as compared to the corresponding quarter of the preceeding year.

The higher other operating expenses in the current quarter was mainly due to bad debt provision amounting to RM0.27 million.

The Group had recognised losses incurred by a joint venture company ("JV Co") in Kuwait amounting to RM0.33 million in current quarter up to the extent of investment in the JV Co. The Group has no intention to increase investment in JV Co for the foreseeable future.

Correspondingly, the Group recorded a loss before taxation of RM0.22 million as compared to profit before taxation of RM0.85 million in the corresponding quarter of the preceeding year. The Group has also recorded a loss after taxation of RM0.26 million as compared to profit after taxation of RM0.78 million in the corresponding quarter of the preceeding year.

B2 Prospects

The collaboration with leading experts in banking industry namely Iteration Partners Pty Ltd to upgrade flagship MiBS banking suite is on-going. The Group plans to release its new banking solution in stages and will continue to invest in developing and enhancing the new banking solution during the financial year 2009.

The Board of Directors ("Board") is of the opinion that the current global financial crisis and economic slowdown has led to financial institutions being more cautious in spending on Information Technology related products. As a result, the Board expects a reduced number of new projects to be implemented, however, maintenance and enhancement contracts from existing customers will continue but at a lower margin. To mitigate the adverse effect of the economic slowdown and the expected lower growth, the Group will exercise more prudence in controlling costs and improving productivity.

B3 Profit forecast or guarantee

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

B4 Taxation

	Current quarter 31 March 2009 RM'000	Cumulative 31 March 2009 RM'000
Malaysia Income Tax	(39)	(39)
	<u>(39)</u>	<u>(39)</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.

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

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

There is no corporate exercise announced but not completed during the period under review.

Employee Share Option Scheme ("ESOS")

The Company established the 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.

There is no option granted to the eligible employees of the Group during the financial period under review.

B8 Group's borrowings and debt securities

The Group has unutilised secured banking facilities totaling RM2.50 million, denominated in Ringgit Malaysia during the financial period under review.

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 had recommended a tax exempted final dividend of 1.00 sen per ordinary share of RM0.10 each in the Company amounting to RM1,274,060 for the financial year ended 31 December 2008 and subsequently approved by the shareholders at the Annual General Meeting held on 16 April 2009. The entitlement and payment dates fall on 15 May 2009 and 29 May 2009 respectively.

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

B12 (Loss) / Earnings per share

Basic (loss) / earnings per share

The calculation of the basic loss/earnings per share is based on the net loss/profit for the financial quarter and period under review divided by the weighted average number of ordinary shares of RM0.10 in issue.

	Individual Quarter 31 March 2009	Cumulative Quarter 31 March 2009
(Loss) / Profit attributable to ordinary shareholders (RM'000)	(335)	(335)
No. of ordinary share in issue	127,406,000	127,406,000
Basic (loss) / earnings per share (sen)	<u>(0.26)</u>	<u>(0.26)</u>

The diluted loss/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 in accordance with a resolution of the directors dated 19 May 2009.

**MICROLINK SOLUTIONS BERHAD (620782-P)
19 May 2009**