



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The Third Quarter Ended 30 September 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
		30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Revenue	B1	3,835	4,024	12,106	11,231
Cost of sales		(1,598)	(1,476)	(5,094)	(4,225)
Gross profit		2,237	2,548	7,012	7,006
Other operating income		90	111	212	295
Selling and distribution expenses		(208)	(426)	(703)	(1,178)
Administrative expenses		(1,738)	(1,498)	(4,724)	(3,624)
Other operating expenses		(256)	(278)	(1,046)	(761)
Share of results of jointly controlled entity		-	-	(333)	-
Profit before tax	B1	125	457	418	1,738
Income tax (expenses) / credit	B4	(60)	31	(154)	(102)
Profit after taxation		65	488	264	1,636
Attributable to :					
Equity holders of the company		78	488	186	1,636
Minority interest		(13)	-	78	-
		65	488	264	1,636
Earnings per share (sen):					
Basic	B12	0.06	0.38	0.15	1.28
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 30 September 2009

	Unaudited as at 30 September 09 RM'000	Audited as at 31 December 08 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,698	1,401
Software development expenditure	13,954	9,037
Interests in a jointly controlled entity	-	333
Goodwill on consolidation	2,818	2,818
Total non-current assets	<u>18,470</u>	<u>13,589</u>
CURRENT ASSETS		
Trade receivables	3,170	3,771
Other receivables, deposits and prepayments	994	1,161
Amount due from contract customers	810	389
Short-term investments	3,932	8,594
Fixed deposits with licensed financial institutions	2,515	2,515
Cash and bank balances	2,839	2,466
Total current assets	<u>14,260</u>	<u>18,896</u>
TOTAL ASSETS	<u>32,730</u>	<u>32,485</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	12,741	12,741
Reserves	15,159	16,146
Shareholders' equity	<u>27,900</u>	<u>28,887</u>
Minority interest	119	1
	<u>28,019</u>	<u>28,888</u>
DEFERRED LIABILITY		
Deferred tax liabilities	198	198
CURRENT LIABILITIES		
Trade payables	716	159
Other payables and accruals	1,165	754
Deferred maintenance income	2,627	2,486
Tax liabilities	5	-
	<u>4,513</u>	<u>3,399</u>
Total liabilities	4,711	3,597
TOTAL EQUITY AND LIABILITIES	<u>32,730</u>	<u>32,485</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 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 STATEMENT OF CHANGES IN EQUITY
For The Third Quarter Ended 30 September 2009
(The figures have not been audited)

	Attributable to equity shareholders					Total	Minority interests	Total
	Issued capital	Distributable reserve	Non-distributable reserves					
	Ordinary shares	Unappropriated profits	Share premium	Equity compensation reserve	Currencies translation reserve			
<u>9 months ended 30 September 2008</u>								
At 1 January 2008 (audited)	12,741	11,629	3,467	87	-	27,924	-	27,924
Profit for the financial period	-	1,636	-	-	-	1,636	-	1,636
ESOS expenses	-	-	-	24	-	24	-	24
Issue of shares to minority shareholder	-	-	-	-	-	-	-	-
Dividend	-	(1,274)	-	-	-	(1,274)	-	(1,274)
Currencies translation differences	-	-	-	-	(26)	(26)	-	(26)
At 30 September 2008	<u>12,741</u>	<u>11,991</u>	<u>3,467</u>	<u>111</u>	<u>(26)</u>	<u>28,284</u>	<u>-</u>	<u>28,284</u>
<u>9 months ended 30 September 2009</u>								
At 1 January 2009 (audited)	12,741	12,663	3,467	156	(140)	28,887	1	28,888
Profit for the financial period	-	186	-	-	-	186	78	264
Issue of shares to minority shareholder	-	-	-	-	-	-	40	40
ESOS expenses	-	-	-	40	-	40	-	40
Dividend	-	(1,274)	-	-	-	(1,274)	-	(1,274)
Currencies translation differences	-	-	-	-	61	61	-	61
At 30 September 2009	<u>12,741</u>	<u>11,575</u>	<u>3,467</u>	<u>196</u>	<u>(79)</u>	<u>27,900</u>	<u>119</u>	<u>28,019</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 Third Quarter Ended 30 September 2009
(The figures have not been audited)



	Current Year 9 months ended 30 September 2009 RM'000	Preceding Year Corresponding period 30 September 2008 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	12,014	12,227
Payment to suppliers and employees	(9,437)	(10,212)
Payment of income tax expense	59	(131)
Net cash from operating activities	2,636	1,884
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(625)	(883)
Software development expenditure incurred	(5,342)	(802)
Grant received	51	-
Interest received	160	279
Net cash used in investing activities	(5,756)	(1,406)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Issue of shares to minority shareholder	40	-
Loan from joint venture partner	-	42
Dividend paid	(1,274)	(1,274)
Net cash used in financing activities	(1,234)	(1,232)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,354)	(754)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,575	15,607
CURRENCIES TRANSLATION DIFFERENCE	65	21
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9,286	14,874

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 Third Quarter Ended 30 September 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 Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("ACE Listing Requirements") 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	Cumulative
	30 September 2009	30 September 2009
	RM'000	RM'000
<u>Segment Revenue</u>		
Malaysia	3,665	10,731
Overseas	170	1,375
	<u>3,835</u>	<u>12,106</u>
<u>Segment Gross Profit</u>		
Malaysia	2,144	6,168
Overseas	93	844
	<u>2,237</u>	<u>7,012</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 17 November 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 30 September 2009 RM'000
Cash and bank balances	2,839
Short-term investments	3,932
Fixed deposits with licensed financial institutions *	2,515
	9,286
	9,286

* 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 ACE LISTING REQUIREMENTS

B1 Review of performance

For the current quarter, the Group recorded a revenue of RM3.84 million and profit before tax of RM0.13 million as compared to a revenue of RM4.02 million and profit before tax of RM0.46 million in the corresponding quarter of the preceding year.

For the nine months ended 30 September 2009, the Group recorded a revenue and profit before tax of RM12.11 million and RM0.42 million respectively. This represents an increase of RM0.88 million in revenue as compared to the revenue of RM11.23 million recorded in the corresponding period of the preceding year. The improvement was mainly attributable to additional license sales, hardware sales and enhancement projects secured during the financial period to date.

Despite the higher revenue, the profit before tax was lower by RM1.32 million as compared to RM1.74 million in the corresponding period of the preceding year. This was mainly because of bad debt provision amounting to RM0.49 million and recognition of losses amounting to RM0.33 million incurred by the joint venture company in Kuwait during the financial period to date.

Material change in profit before tax for the quarter reported as compared with the immediate preceding quarter

The Group recorded a revenue of RM3.84 million and profit before tax of RM0.13 million in the current quarter ended 30 September 2009 as compared to the preceding quarter's revenue of RM4.66 million and profit before tax of RM0.51 million. The variance in profit before tax was mainly because of lower sales volume and also a bad debt provision amounting to RM0.22 million in the current quarter under review .

B2 Prospects

The Group expects business conditions to remain challenging and competitive for the rest of the financial year ending 31 December 2009. To mitigate the adverse effects of the economic slowdown and the expected lower growth, the Group has taken several proactive actions towards cost optimisation. In addition, the Group will continue its efforts in building up existing businesses and identifying and exploring new business opportunities to improve the financial performance.

B3 Profit forecast or guarantee

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

B4 Income tax expense

	Current quarter 30 September 2009 RM'000	Cumulative 30 September 2009 RM'000
Malaysia Income Tax	(60)	(154)
	<u>(60)</u>	<u>(154)</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.

The Ministry of International Trade and Industry had, vide letter dated 29 October 2009, granted the Company with additional five years of Pioneer Status for MSC status company commencing from 1 September 2009 until 31 August 2014.

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.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE LISTING REQUIREMENTS (Cont'd)

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

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

B12 Earnings per share

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.

	Individual Quarter 30 September 2009	Cumulative Quarter 30 September 2009
Profit attributable to equity holders of the company (RM'000)	78	186
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	0.06	0.15

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 in accordance with a resolution of the directors dated 24 November 2009.