

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2024

MICROLINK SOLUTIONS BERHAD

Financial Year End 31 Mar 2025

Quarter 1 Qtr

Quarterly report for the financial period ended 30 Jun 2024

The figures have not been audited

Attachments

[MSB - FY25Q1 - Revision.pdf](#)
273.2 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2024

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	61,506	56,932	61,506	56,932
2 Profit/(loss) before tax	-4,940	4,179	-4,940	4,179
3 Profit/(loss) for the period	-4,940	3,706	-4,940	3,706
4 Profit/(loss) attributable to ordinary equity holders of the parent	-4,441	3,706	-4,441	3,706
5 Basic earnings/(loss) per share (Subunit)	-0.41	0.35	-0.41	0.35
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.1800		0.1900	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	MICROLINK SOLUTIONS BERHAD
Stock Name	MICROLN
Date Announced	29 Aug 2024
Category	Financial Results
Reference Number	FRA-26082024-00069



MICROLINK SOLUTIONS BERHAD

Company no. 200301018362 (620782 - P)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2024

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2024

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2024 RM'000 Unaudited	2023 RM'000 Unaudited	2024 RM'000 Unaudited	2023 RM'000 Unaudited
Revenue	61,506	56,932	61,506	56,932
Cost of sales	(45,838)	(43,505)	(45,838)	(43,505)
Gross profit	15,668	13,427	15,668	13,427
Other operating income	99	1,017	99	1,017
Selling and distribution expenses	(3,167)	(361)	(3,167)	(361)
Administrative expenses	(15,556)	(7,390)	(15,556)	(7,390)
Finance costs	(903)	(565)	(903)	(565)
Other operating expenses	(1,081)	(1,949)	(1,081)	(1,949)
(Loss) / Profit before taxation	(4,940)	4,179	(4,940)	4,179
Taxation	-	(473)	-	(473)
(Loss) / Profit for the period	(4,940)	3,706	(4,940)	3,706
Other comprehensive loss, net of tax				
- item that may be reclassified subsequently to profit or loss:				
Foreign currency translations for foreign operations, net of tax	123	(71)	123	(71)
Other comprehensive loss for the period, net of tax	123	(71)	123	(71)
Total comprehensive (loss) / income for the period	(4,817)	3,635	(4,817)	3,635
(Loss) / Profit attributable to:				
Owners of the parent	(4,441)	3,706	(4,441)	3,706
Non-controlling interests	(499)	-	(499)	-
	(4,940)	3,706	(4,940)	3,706
Total comprehensive (loss) / income attributable to:				
Owners of the parent	(4,318)	3,631	(4,318)	3,631
Non-controlling interests	(499)	4	(499)	4
	(4,817)	3,635	(4,817)	3,635
Earnings per share (sen):				
Basic	(0.41)	0.35	(0.41)	0.35
Diluted	(0.41)	0.35	(0.41)	0.35

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	As At 30 June 2024 RM'000 Unaudited	As At 31 March 2024 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,473	2,158
Right-of-use assets	2,805	3,002
Goodwill	25,990	25,990
Software development expenditure	97,120	100,724
Other investments	105	105
Lease receivables	771	771
Deferred tax assets	2,576	2,576
	131,840	135,326
Current Assets		
Inventories	2,001	1,156
Contract costs	40,862	38,170
Other investments	-	89
Trade receivables	82,093	99,539
Other receivables, deposits and prepayments	23,249	23,680
Contract assets	12,515	32,376
Lease receivables	140	195
Current tax assets	12,186	11,577
Cash and bank balances	18,826	13,464
	191,872	220,246
TOTAL ASSETS	323,712	355,572
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	166,260	166,260
Reserves	(405)	(528)
Retained Earnings	28,787	33,228
	194,642	198,960
Non-controlling interests	(1,060)	(561)
TOTAL EQUITY	193,582	198,399
Non-Current Liabilities		
Deferred tax liability	4,924	4,924
Provision for gratuity obligations	-	-
Trade payable	-	423
Other payables and accruals	197	197
Lease liabilities	3,267	3,267
	8,388	8,811
Current Liabilities		
Trade payables	26,923	55,238
Other payables and accruals	20,389	29,986
Contract liabilities	20,794	19,404
Borrowings	51,318	41,102
Provision for gratuity obligations	-	-
Lease liabilities	931	1,099
Current tax liabilities	1,388	1,532
	121,743	148,361
TOTAL LIABILITIES	130,131	157,173
TOTAL EQUITY AND LIABILITIES	323,713	355,572
Net assets per share (RM)	0.18	0.19

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2024**

	←----- Non-distributable ----->					
	Share capital RM'000	Exchange translation reserve RM'000	Retained Earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Unaudited						
<u>3 months ended 30 June 2024</u>						
At 1 April 2024 (audited)	166,260	(528)	33,228	198,960	(561)	198,399
Profit for the period	-	-	(4,441)	(4,441)	(499)	(4,940)
Foreign currency translation for foreign operations	-	123		123		123
Total comprehensive income for the period	-	123	(4,441)	(4,318)	(499)	(4,817)
At 30 June 2024	166,260	(405)	28,787	194,642	(1,060)	193,582
Unaudited						
<u>3 months ended 30 June 2023</u>						
At 1 April 2023 (audited)	166,259	(214)	60,064	226,109	130	226,239
Profit for the period	-	-	3,706	3,706	-	3,706
Foreign currency translation for foreign operations	-	(75)	-	(75)	4	(71)
Total comprehensive income for the period	-	(75)	3,706	3,631	4	3,635
At 30 June 2023	166,259	(289)	63,770	229,740	134	229,874

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 JUNE 2024
(The figures have not been audited)

	Current Year 3 months ended 30 June 2024 RM'000 Unaudited	Preceding Year 3 months ended 30 June 2023 RM'000 Unaudited
CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(4,840)	4,179
Adjustments for non-cash items:		
Amortisation of software development expenditure	3,603	4,148
Interest expense	903	576
Realised loss on foreign exchange	409	-
Depreciation of right-of-use assets	237	239
Depreciation of property, plant and equipment	132	41
Dividend income	-	(5)
Fair Value (Gain) / Loss on Investment	-	(259)
Loss on disposal of quoted investment	-	126
Interest income	(76)	(115)
Net unrealised loss/(gain) on foreign exchange	-	(8)
Operating profit before working capital changes	<u>268</u>	<u>8,922</u>
Net changes in assets	33,847	(4,347)
Net changes in liabilities	(36,746)	(2,089)
Net cash (used in) / from operations	<u>(2,631)</u>	<u>2,486</u>
Interest received	21	6
Tax paid	(753)	(3,247)
Tax refunded	-	1,064
Net cash (used in) / from operating activities	<u>(3,363)</u>	<u>309</u>
CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	-	13
Addition of software development expenditure	-	(1,520)
Interest received	55	109
Dividend received	-	5
Placement of deposits pledged to licensed banks	(947)	(321)
Net disposal/(purchase) of other investments	89	(239)
Purchase of property, plant and equipment	(487)	(44)
Net cash used in investing activities	<u>(1,290)</u>	<u>(1,997)</u>
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Interest paid	(903)	(509)
Net drawdown of borrowings	10,216	(8,622)
Payments of lease liabilities	(168)	(650)
Net cash from / (used in) financing activities	<u>9,145</u>	<u>(9,781)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,492	(11,469)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,328	25,742
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	87	(228)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>7,907</u>	<u>14,045</u>

* Cash and cash equivalents at the beginning and end of the financial period are net of deposits pledged to banks.

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

**MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2024**

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 Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market 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 March 2024. 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 March 2024.

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 March 2024 except for the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2024:

Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback Non-current
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 Non-current Liabilities with Covenants
Amendments to MFRS 121 Lack of Exchangeability
Amendments to MFRS 9 and MFRS7 Amendments to the Classification and Measurement of Financial Statements
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.

A2 Audit report of preceding annual financial statements

The preceding audited financial statements for the financial year 31 March 2024 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

The Group's reportable segments were identified as follows:-

- (i) Financial Services - Provision of business and technical services for financial institutions
- (ii) Enterprise Solutions - Provision of emerging technologies for enterprise
- (iii) Distribution Services - Distribution and maintenance of computer equipment and software
- (iv) Solution Delivery - Provision of project and software solutions delivery services

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)
A7 Segmental information (Cont'd)

Business Segments	Financial Services	Enterprise Solutions	Distribution Services	Solution Delivery	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 June 2024						
External sales	19,455	6,036	36,015	-	-	61,506
Inter-segment sales	2,615	-	441	-	(3,056)	-
Total	<u>22,070</u>	<u>6,036</u>	<u>36,456</u>	<u>-</u>	<u>(3,056)</u>	<u>61,506</u>
Results						
Segment results	1,552	(4,243)	(405)	(633)	(385)	(4,114)
Interest expense	(442)	-	(461)	-	-	(903)
Interest income	41	1	35	-	-	77
Taxation	-	-	-	-	-	-
Profit / (Loss) for the financial period	<u>1,151</u>	<u>(4,242)</u>	<u>(831)</u>	<u>(633)</u>	<u>(385)</u>	<u>(4,940)</u>
Segment assets	<u>379,086</u>	<u>105,035</u>	<u>143,701</u>	<u>27,631</u>	<u>(331,740)</u>	<u>323,713</u>
Segment liabilities	<u>275,009</u>	<u>95,639</u>	<u>130,198</u>	<u>18,462</u>	<u>(389,177)</u>	<u>130,131</u>
3 months ended 30 June 2023						
External sales	11,476	13,140	31,416	900	-	56,932
Inter-segment sales	1,608	150	1,468	-	(3,226)	-
Total	<u>13,084</u>	<u>13,290</u>	<u>32,884</u>	<u>900</u>	<u>(3,226)</u>	<u>56,932</u>
Results						
Segment results	1,462	777	2,241	115	45	4,640
Interest expense	(157)	(89)	(337)	-	7	(576)
Interest income	59	-	56	-	-	115
Taxation	-	-	(473)	-	-	(473)
Profit / (Loss) for the financial period	<u>1,364</u>	<u>688</u>	<u>1,487</u>	<u>115</u>	<u>52</u>	<u>3,706</u>
Segment assets	<u>234,839</u>	<u>113,943</u>	<u>89,092</u>	<u>26,313</u>	<u>(139,080)</u>	<u>325,107</u>
Segment liabilities	<u>128,573</u>	<u>82,433</u>	<u>110,613</u>	<u>17,151</u>	<u>(243,537)</u>	<u>95,233</u>

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

On 15 March 2024, the Group proposed to undertake:

(i) Proposed renounceable rights issue of up to 89,366,347 redeemable preference shares ("RPS") together with up to 268,099,040 free detachable warrants ("Warrants") at an issue price of RM1.00 per RPS on the basis of 1 RPS and 3 Warrants for every 12 existing ordinary shares; and

(ii) Proposed amendments to the Constitution of the Company.

Saved as disclosed above, there were no material events announced subsequent to the end of the current financial period under review up to the date of this announcement.

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 22 August 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A12 Cash and bank balances

	Current year as at 30 June 2024 RM'000
Cash and bank balances	10,092
Fixed deposits with licensed financial institutions	8,734
	<u>18,826</u>
Less: Fixed deposits pledged with licensed banks	(8,734)
Bank overdraft	(2,185)
	<u>7,907</u>

B EXPLANATORY NOTES PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of performance

The summary breakdown of revenue by business segments of the Group is as follows:-

	Individual Quarter			Cumulative Period		
	3 months ended 30 June		Variance	3 months ended 30 June		Variance
	2024	2023		2024	2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Financial Services	22,070	13,084	69%	22,070	13,084	69%
Enterprise Solutions	6,036	13,290	-55%	6,036	13,290	-55%
Distribution Services	36,456	32,884	11%	36,456	32,884	11%
Solution Delivery	-	900	NA	-	900	NA
	64,562	60,158	7%	64,562	60,158	7%
Less : Inter Segment Revenue	(3,056)	(3,226)		(3,056)	(3,226)	
Total Group Revenue	61,506	56,932	8%	61,506	56,932	8%

The Group's revenue increased by RM4.57 million in the current quarter under review as compared to the corresponding quarter of the proceeding year. The higher revenue was mainly attributable to higher order fulfilments and progress billings particularly in Distribution and Financial Services segment.

The summary breakdown of (loss) / profit before taxation by business segments of the Group is as follows:-

	Individual Quarter			Cumulative Period		
	3 months ended 30 June		Variance	3 months ended 30 June		Variance
	2024	2023		2024	2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Financial Services	1,151	1,364	-16%	1,151	1,364	-16%
Enterprise Solutions	(4,242)	688	NA	(4,242)	688	NA
Distribution Services	(831)	1,960	NA	(831)	1,960	NA
Solution Delivery	(633)	115	NA	(633)	115	NA
	(4,555)	4,127	NA	(4,555)	4,127	NA
Add : Elimination	(385)	52		(385)	52	
(Loss) / Profit before taxation ("LBT)/PBT")	(4,940)	4,179	NA	(4,940)	4,179	NA

The Group's loss before taxation recorded during the quarter under review was mainly attributable to lower margin from the order fulfilments and progress billings as compared to the corresponding quarter in last year.

Material change in revenue and (loss) / profit before taxation for the quarter reported as compared with the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Change
	RM'000	RM'000	%
Revenue	61,506	56,932	8%
Loss before taxation	(4,940)	4,179	NA

The Group recorded increase in revenue by RM4.57 million in the current quarter as compared to the immediate preceding quarter mainly attributable to higher order fulfilments and progress billings.

The loss before taxation of RM4.94 million in the current quarter was mainly attributable to lower margin from the order fulfilments and progress billings.

B EXPLANATORY NOTES PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

B2 Prospects

Microlink Group will concentrate its efforts on its core areas of expertise in Financial Services and Distribution segments. We anticipate year-on-year growth in both segments and are also actively looking to strengthen our foothold in Bahrain by reaching out to new international clients.

Meanwhile, the Board will continue to pursue greater efficiency and cost savings strategies to enhance group 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 June 2024 RM'000	Cumulative 30 June 2024 RM'000
Taxation - current year	-	-
Taxation - prior year	-	-
Deferred tax	-	-
Total	<u>-</u>	<u>-</u>

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 purchase or disposal of unquoted investments and properties during the financial period under review.

B7 Corporate exercise and utilisation of proceeds

On 15 March 2024, the Group proposed to undertake:

(i) Proposed renounceable rights issue of up to 89,366,347 redeemable preference shares ("RPS") together with up to 268,099,040 free detachable warrants ("Warrants") at an issue price of RM1.00 per RPS on the basis of 1 RPS and 3 Warrants for every 12 existing ordinary shares; and

(ii) Proposed amendments to the Constitution of the Company.

Saved as disclosed above, there is no corporate exercise announced but not completed during the period under review.

B8 Group's borrowings and debt securities

The details of the Group's bank borrowings are as follows:

	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000
Current liabilities		
Secured:		
Short term bank borrowings - secured	51,318	24,686
Long term bank borrowings - secured	-	2,419
Total borrowings	<u>51,318</u>	<u>27,105</u>

Bank overdraft and trust receipts of the Group are subject to floating weighted average effective interest rates of 7.70% and 8.20%.

B9 Off balance sheet financial instruments

Bank guarantees amounting to RM8.14 million have been issued.

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.

B EXPLANATORY NOTES PURSUANT TO APPENDIX BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

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 in issue during the quarter.

	Individual Quarter 30 June 2024	Cumulative Quarter 30 June 2024
Profit attributable to owners of the parent (RM)	(4,441,000)	(4,441,000)
Weighted average number of ordinary shares in issue	1,072,396,160	1,072,396,160
Basic earnings per share (sen)	<u>(0.41)</u>	<u>(0.41)</u>

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 28 May 2024.

MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))

29 August 2024