



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The Fourth Quarter Ended 31 December 2007
(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 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
Revenue		3,131	7,029	15,754	21,980
Cost of sales	A1	(1,660)	(2,586)	(8,751)	(10,484)
Gross profit		1,471	4,443	7,003	11,496
Other operating income		146	85	354	253
Selling and distribution expenses	A1	(334)	(256)	(2,295)	(704)
Administrative expenses	A1	(861)	(1,142)	(3,817)	(3,578)
Other operating expenses		(212)	(208)	(973)	(835)
Profit before taxation		210	2,922	272	6,632
Taxation	B4	567	(2)	353	(189)
Profit after taxation		777	2,920	625	6,443
Earnings per share (sen):					
Basic	B12	0.61	2.29	0.49	5.31
Diluted	B12	N/A	2.28	N/A	5.28

Note:
These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited as at 31 December 2007 RM'000	Audited as at 31 December 2006 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	949	778
Software development expenditure incurred	6,475	5,458
Goodwill on consolidation	2,818	2,818
	<u>10,242</u>	<u>9,054</u>
CURRENT ASSETS		
Trade receivables	3,374	7,243
Other receivables, deposits and prepayments	1,232	706
Amount due from contract customers	732	3,438
Short-term investments	9,922	7,781
Fixed deposits with licensed financial institutions	2,527	2,566
Cash and bank balances	3,159	2,108
	<u>20,946</u>	<u>23,842</u>
TOTAL ASSETS	<u>31,188</u>	<u>32,896</u>
EQUITY AND LIABILITIES		
Issued capital	12,741	12,741
Reserves	15,182	15,799
TOTAL EQUITY	<u>27,923</u>	<u>28,540</u>
NON-CURRENT LIABILITY		
Deferred tax liabilities	-	374
CURRENT LIABILITIES		
Trade payables	146	871
Other payables and accruals	890	1,034
Deferred maintenance income	2,229	2,041
Taxation liabilities	-	36
	<u>3,265</u>	<u>3,982</u>
TOTAL LIABILITIES	<u>3,265</u>	<u>4,356</u>
TOTAL EQUITY AND LIABILITIES	<u>31,188</u>	<u>32,896</u>
Net assets per share (RM)	<u>0.24</u>	<u>0.26</u>

Note:

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MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Fourth Quarter Ended 31 December 2007
(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 2006</u>						
At 1 January 2006	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)
Profit for the financial period	-	-	6,443	-	-	6,443
Dividend	-	-	(1,274)	-	-	(1,274)
ESOS expenses	-	-	-	-	55	55
At 31 December 2006	<u>12,741</u>	<u>-</u>	<u>12,277</u>	<u>3,467</u>	<u>55</u>	<u>28,540</u>
<u>12 months ended 31 December 2007</u>						
At 1 January 2007	12,741	-	12,277	3,467	55	28,540
Profit for the financial year	-	-	625	-	-	625
Dividend	-	-	(1,274)	-	-	(1,274)
ESOS expenses	-	-	-	-	32	32
At 31 December 2007	<u>12,741</u>	<u>-</u>	<u>11,628</u>	<u>3,467</u>	<u>87</u>	<u>27,923</u>

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements

MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Forth Quarter Ended 31 December 2007
(The figures have not been audited)



	Current Year 12 months ended	Preceding Year Corresponding period
Note	31 December 2007 RM'000	31 December 2006 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	21,491	16,664
Payment to suppliers and employees	(14,828)	(13,593)
Payment of income tax expense	(334)	(201)
Net cash from operating activities	6,329	2,870
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Placement of short-term investments	(2,141)	(5,781)
Purchase of property, plant and equipment	(438)	(313)
Software development expenditure incurred	(1,762)	(2,680)
Interest received	337	253
Net cash used in investing activities	(4,004)	(8,521)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Issue of shares	-	7,240
Listing expenses	(39)	(1,162)
Dividend paid	(1,274)	(1,274)
Net cash (used in) / from financing activities	(1,313)	4,804
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,012	(847)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,674	5,521
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,686	4,674

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements



MICROLINK SOLUTIONS BERHAD (620782-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
For The Fourth Quarter Ended 31 December 2007

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 2006. 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 2006.

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 2006 except for the adoption of the following new and revised FRS issued by MASB that are effective for the Group's annual reporting date, 31 December 2007:

- FRS 117 Lease
- FRS 124 Related Party Disclosures

The adoption of FRS mentioned above does not have significant impact on the Group.

The Group has adopted the implementation of a time cost monitoring system which enables the Group to allocate its staff cost to cost of sales, marketing and administrative expenses for more accurate presentation on the financial statement.

A2 Audit report of preceding annual financial statements

The preceding annual audited financial statements for the financial year ended 31 December 2006 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	31 December 2007
		RM'000
<u>Segment Revenue</u>		
Malaysia	2,973	13,829
Overseas	158	1,925
	<u>3,131</u>	<u>15,754</u>
<u>Segment Gross profit</u>		
Malaysia	1,617	6,829
Overseas	(146)	174
	<u>1,471</u>	<u>7,003</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 on 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, except for the incorporation of a new joint venture company in the State of Kuwait which is pending official approval from the relevant authority

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 13 February 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 period
	as at
	31 December 2007
	RM'000
Cash and bank balances	3,159
Fixed deposits with licensed financial institutions	<u>2,527</u>
	<u>5,686</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 31 December 2007, the Group recorded a revenue of RM3.13 million, contributed mainly from ongoing projects undertaken (63%) and maintenance (37%). In view of this, the Group recorded a profit before taxation of RM0.21 million and a profit after taxation of RM0.78 million for the quarter under review.

B2 Prospects

Despite the cancellation of a couple of existing projects during the last quarter, the Group is still optimistic that the banking industry locally, and in the ASEAN and Middle East and North Africa ("MENA") regions will continue to be positive in coming years. The Group will be vigilant on the cost structure and ensure that improvements are made in the forthcoming and future quarters. The Group continues to identify and endeavour to secure more projects within the banking industry

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 December 2007 RM'000	Cumulative 31 December 2007 RM'000
Over/(under) provision of income tax	193	(21)
Deferred tax	374	374
	<u>567</u>	<u>353</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 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)

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 31 December 2007 is set out below:-

	Intended timeframe	Proposed utilisation RM'000	Actual utilisation RM'000	Balance amount	
				RM'000	%
1. R&D expenditure	24 months	2,225	2,225	0	0
2. Working capital requirements *	24 months	3,515	3,739	63	2
3. Listing expenses *	6 months	1,500	1,213	0	0
		<u>7,240</u>	<u>7,177</u>	<u>63</u>	

* 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

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

The Board of Directors of the Company has at the Board of Directors Meeting today, proposed the payment of a tax exempt final dividend, subject to shareholders' approval at the forthcoming AGM, of one sen per share in respect of the financial year ended 31 December 2007 amounting to RM1,274,060 computed based on the issued and paid up share capital of the Company as at the date of this report. The entitlement and payment dates for the proposed final dividend will be determined and announced at a later date.



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 31 December 2007	Cumulative Quarter 31 December 2007
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 number of ordinary shares of RM0.10 in issue.		
Profit attributable to ordinary shareholders (RM'000)	777	625
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	0.61	0.49

Fully diluted earnings per share

The calculation of the diluted earnings per share is based on the net profit for the financial quarter and 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)	777	625
Weighted average number of shares used in the calculation of basic earning per ordinary share	127,406,000	127,406,000
ESOS:		
Weighted average number of unissued shares available under option	6,365,300	6,067,736
Number of shares that would have been issued at fair value	(7,426,183)	(6,194,147)
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	<u>126,345,117</u>	<u>127,279,589</u>
Fully diluted earnings per share (sen)	0.62	0.49

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 19 February 2008.