



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The First Quarter Ended 31 March 2008
(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 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Revenue		3,851	5,163	3,851	5,163
Cost of sales	A1	(1,572)	(1,260)	(1,572)	(1,260)
Gross profit		<u>2,279</u>	<u>3,903</u>	<u>2,279</u>	<u>3,903</u>
Other operating income		86	68	86	68
Selling and distribution expenses	A1	(341)	(472)	(341)	(472)
Administrative expenses	A1	(955)	(1,042)	(955)	(1,042)
Other operating expenses		(223)	(191)	(223)	(191)
Profit before taxation		<u>846</u>	<u>2,266</u>	<u>846</u>	<u>2,266</u>
Taxation	B4	(66)	(66)	(66)	(66)
Profit after taxation		<u>780</u>	<u>2,200</u>	<u>780</u>	<u>2,200</u>
Earnings per share (sen):					
Basic	B12	0.61	1.73	0.61	1.73
Diluted	B12	N/A	1.72	N/A	1.72

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2008

	Unaudited as at 31 March 08 RM'000	Audited as at 31 December 07 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	935	949
Software development expenditure incurred	6,668	6,475
Goodwill on consolidation	2,818	2,818
CURRENT ASSETS		
Trade receivables	3,731	3,375
Other receivables, deposits and prepayments	1,417	1,233
Amount due from contract customers	1,120	732
Short-term investments	10,803	9,922
Fixed deposits with licensed financial institutions	2,527	2,527
Cash and bank balances	2,056	3,158
	<u>21,654</u>	<u>20,947</u>
CURRENT LIABILITIES		
Trade payables	93	146
Other payables and accruals	851	891
Deferred maintenance income	2,395	2,229
Taxation liabilities	24	-
	<u>3,363</u>	<u>3,266</u>
NET CURRENT ASSETS	18,291	17,681
NET ASSETS	<u>28,712</u>	<u>27,923</u>
REPRESENTED BY:		
Issued capital	12,741	12,741
Reserves	15,971	15,182
SHAREHOLDERS' EQUITY	<u>28,712</u>	<u>27,923</u>
Net assets per share (RM)	<u>0.23</u>	<u>0.22</u>

Note:

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MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The First Quarter Ended 31 March 2008
(The figures have not been audited)

	Issued capital	Distributable reserve	Non-distributable reserve		
	Share capital RM'000	Retained profits RM'000	Share premium RM'000	Equity compensation reserve RM'000	Total RM'000
<u>3 months ended 31 March 2007</u>					
At 1 January 2007 (audited)	12,741	12,277	3,467	55	28,540
Profit for the financial period	-	2,200	-	-	2,200
ESOS	-	-	-	16	16
At 31 March 2007	<u>12,741</u>	<u>14,477</u>	<u>3,467</u>	<u>71</u>	<u>30,756</u>
<u>3 months ended 31 March 2008</u>					
At 1 January 2008 (audited)	12,741	11,629	3,467	87	27,924
Profit for the financial period	-	780	-	-	780
ESOS expenses	-	-	-	8	8
At 31 March 2008	<u>12,741</u>	<u>12,409</u>	<u>3,467</u>	<u>95</u>	<u>28,712</u>

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008
(The figures have not been audited)



	Current Year 3 months ended	Preceding Year Corresponding period
Note	31 March 2008 RM'000	31 March 2007 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	3,038	3,936
Payment to suppliers and employees	(2,886)	(3,879)
Payment of income tax expense	(63)	(71)
Net cash from / (used in) operating activities	89	(14)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
(Placement of)/Withdrawal from short term investment	(881)	536
Purchase of property, plant and equipment	(57)	(112)
Software development expenditure incurred	(337)	(583)
Interest received	84	68
Net cash used in investing activities	(1,191)	(91)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITY		
Listing expenses	-	(13)
Net cash used in financing activity	-	(13)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,102)	(118)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,685	4,674
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	A12 4,583	4,556

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

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 2007. 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 2007.

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 2007

A2 Audit report of preceding annual financial statements

The preceding annual audited financial statements for the financial year ended 31 December 2007 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 2008 RM'000	Cumulative 31 March 2008 RM'000
<u>Segment Revenue</u>		
Malaysia	3,271	3,271
Overseas	580	580
	<u>3,851</u>	<u>3,851</u>
<u>Segment Gross profit</u>		
Malaysia	1,991	1,991
Overseas	288	288
	<u>2,279</u>	<u>2,279</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 2 May 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 year as at 31 March 2008 RM'000
Cash and bank balances	2,056
Fixed deposits with licensed financial institutions	<u>2,527</u>
	<u>4,583</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 March 2008, the Group recorded a revenue of RM3.85 million, contributed mainly from on going projects undertaken (58%) and maintenance (42%). The Group recorded a profit before taxation of RM0.85 million and a profit after taxation of RM0.78 million for the quarter under review.

B2 Prospects

The Group will be intensifying its operations in the Middle East and North Africa ("MENA") region with a proposed increase of personnel. This will enhance the Group's capability in addressing the large potential in MENA. In addition, as part of its initiatives to tap into the Indonesian market, one of the countries with the largest potential for Islamic banking, the Group will be opening a wholly-owned subsidiary in Jakarta in the near future. The Group is optimistic in seeing positive results from these initiatives.

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 2008 RM'000	Cumulative 31 March 2008 RM'000
Malaysia Income Tax	66	66
	66	66

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.

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 March 2008, which has been fully utilised, 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	3,802	0	0
3. Listing expenses *	6 months	1,500	1,213	0	0
		<u>7,240</u>	<u>7,240</u>	<u>0</u>	<u>0</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

The Board of Directors had recommended a tax exempt final dividend of 1.00 sen per share for the financial year ended 31 December 2007 and subsequently approved by the shareholders at the Annual General Meeting held on 25 April 2008. The book closure and payment dates fall on 5 May 2008 and 19 May 2008 respectively



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 March 2008	Cumulative Quarter 31 March 2008
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)	780	780
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	<u>0.612</u>	<u>0.612</u>

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 9 May 2008.