



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

For The Fourth Quarter Ended 31 December 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 December 2008 RM'000	31 December 2007 RM'000	31 December 2008 RM'000	31 December 2007 RM'000
Revenue	B1	3,582	3,131	14,813	15,754
Cost of sales		(1,033)	(1,660)	(5,258)	(8,751)
Gross profit		2,549	1,471	9,555	7,003
Other operating income		111	146	406	354
Selling and distribution expenses		(270)	(334)	(1,448)	(2,295)
Administrative expenses		(1,255)	(861)	(4,879)	(3,817)
Other operating expenses		(331)	(212)	(1,092)	(973)
Share of results of jointly controlled entity		(41)	-	(41)	
Profit before taxation	B1	763	210	2,501	272
Taxation	B4	(89)	567	(191)	353
Profit after taxation		674	777	2,310	625
Attributable to :					
Equity holders of the company		673	777	2,309	625
Minority Interest		1	-	1	-
		674	777	2,310	625
Earnings per share (sen):					
Basic	B12	0.53	0.61	1.81	0.49
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 2007 and the accompanying explanatory notes attached to the interim financial statements.



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

	Unaudited as at 31 December 08 RM'000	Audited as at 31 December 07 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,401	949
Investment in jointly controlled entity	333	-
Software development expenditure incurred	9,037	6,475
Goodwill on consolidation	2,818	2,818
	<u>13,589</u>	<u>10,242</u>
CURRENT ASSETS		
Trade receivables	3,771	3,374
Other receivables, deposits and prepayments	954	1,232
Tax recoverable	200	-
Amount due from contract customers	390	732
Short-term investments	8,594	9,922
Fixed deposits with licensed financial institutions	2,516	2,527
Cash and bank balances	2,465	3,159
	<u>18,890</u>	<u>20,946</u>
CURRENT LIABILITIES		
Trade payables	159	146
Other payables and accruals	747	890
Deferred maintenance income	2,486	2,229
Taxation liabilities	-	-
	<u>3,392</u>	<u>3,265</u>
NET CURRENT ASSETS	15,498	17,681
DEFERRED LIABILITY		
Deferred tax liabilities	198	-
	<u>198</u>	<u>-</u>
NET ASSETS	<u>28,889</u>	<u>27,923</u>
REPRESENTED BY:		
Issued capital	12,741	12,741
Reserves	16,147	15,182
Shareholders' equity	28,888	27,923
Minority interest	1	-
	<u>28,889</u>	<u>27,923</u>
Net assets per share (RM)	<u>0.23</u>	<u>0.22</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 STATEMENT OF CHANGES IN EQUITY
For The Fourth Quarter Ended 31 December 2008
(The figures have not been audited)

	Attributable to equity shareholders							Minority Interest	Total
	Issued capital	Distributable reserve	Non-distributable reserve			Total	Total		
	Ordinary shares	Unappropriated profits	Share premium	Equity compensation reserve	Currencies translation reserve				
<u>12 months ended 31 December 2007</u>									
At 1 January 2007 (audited)	12,741	12,277	3,467	55	-	28,540	-	28,540	
Profit for the financial year		625				625		625	
ESOS expenses				32		32		32	
Dividend		(1,274)				(1,274)		(1,274)	
At 31 December 2007	<u>12,741</u>	<u>11,628</u>	<u>3,467</u>	<u>87</u>	<u>-</u>	<u>27,923</u>	<u>-</u>	<u>27,923</u>	
<u>12 months ended 31 December 2008</u>									
At 1 January 2008 (audited)	12,741	11,628	3,467	87	-	27,923	-	27,923	
Profit for the financial year		2,309				2,309	1	2,310	
ESOS expenses				70		70		70	
Dividend		(1,274)				(1,274)		(1,274)	
Currencies translation differences					(140)	(140)		(140)	
At 31 December 2008	<u>12,741</u>	<u>12,663</u>	<u>3,467</u>	<u>157</u>	<u>(140)</u>	<u>28,888</u>	<u>1</u>	<u>28,889</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 Fourth Quarter Ended 31 December 2008
(The figures have not been audited)



	Current Year 12 months ended 31 December 2008 RM'000	Preceding Year Corresponding period 31 December 2007 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	15,330	21,491
Payment to suppliers and employees	(11,893)	(14,828)
Payment of income tax expense	(243)	(334)
Net cash from operating activities	3,194	6,329
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Withdrawal from short term investment	1,328	(2,141)
Proceeds from disposal of fixed assets	2	-
Purchase of property, plant and equipment	(921)	(438)
Software development expenditure incurred	(3,270)	(1,762)
Interest received	385	337
Net cash used in investing activities	(2,476)	(4,004)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Listing expenses	-	(39)
Dividend paid	(1,274)	(1,274)
Net cash used in financing activities	(1,274)	(1,313)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(556)	1,012
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,686	4,674
CURRENCIES TRANSLATION DIFFERENCE	(149)	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,981	5,686

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 Fourth Quarter Ended 31 December 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 ("Bursa Securities") 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 December 2008 RM'000	Cumulative 31 December 2008 RM'000
<u>Segment Revenue</u>		
Malaysia	3,770	13,650
Overseas	(188)	1,163
	<u>3,582</u>	<u>14,813</u>
<u>Segment Gross Profit</u>		
Malaysia	2,652	9,086
Overseas	(103)	469
	<u>2,549</u>	<u>9,555</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.

In the current quarter under review, the Group revised the accounting treatment towards its joint controlled entity in Kuwait, FRS 131. Interests in joint venture, from proportionate consolidation to equity accounting. The change has led to an adjustment of revenue, cost of sales and gross profit in overseas segment.

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

On 6 June 2008, the Company announced the incorporation of a wholly-owned subsidiary in Jakarta, Indonesia, namely PT Microlink Indonesia ("PT Microlink"). PT Microlink officially commenced operations on 23 October 2008 upon the approval granted from the Ministry of Legal Affairs and Human Rights, Indonesia.

On 21 October 2008, the Company entered into a shareholder agreement with Timeless Global Sdn Bhd ("TGSB") and Microlink Software Sdn Bhd ("MSSB") (a 51% owned subsidiary of the Company) whereby both the Company and TGSB have agreed that MSSB shall be the joint venture company to carry on the business of providing consultancy services, supporting and modifying Microlink banking software to cater for the Group's need or its customers' request.

On 28 November 2008, the Company entered into a shareholder agreement with Iteration Partners Pty Ltd ("IPPL") and Microlink Innovation Sdn Bhd ("MISB") (a 60% owned subsidiary of the Company) whereby both the Company and IPPL have agreed that MISB shall be the joint venture company to carry on the business of developing and marketing banking software programs.

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 18 February 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 December 2008 RM'000
Cash and bank balances	2,465
Fixed deposits with licensed financial institutions	2,516
	<u>4,981</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 financial year ended 31 December ("FY") 2008, the Group recorded revenue of RM14.81 million as compared to RM15.75 million in FY 2007, contributed mainly from on-going projects (56%) and maintenance income (44%).

The Group recorded a higher profit before taxation ("PBT") of RM2.50 million as compared to RM0.27 million in FY 2007. The Group has also recorded a higher profit after taxation ("PAT") of RM2.31 million as compared to RM0.63 million in FY 2007. The comparatively higher PBT and PAT were mainly due to the Group being vigilant on its cost structure during the FY 2008.

The Group has been actively participating in tendering projects locally and overseas, such as Indonesia and Middle East and North Africa ("MENA") region.

B2 Prospects

An innovation lab was set up in June 2008 in Melbourne, Australia with a group of leading experts in banking solutions namely, Iteration Partners Pty Ltd, for the purpose of conducting the Group's research and development initiatives. This will result in a comprehensive upgrade of the flagship MiBS banking suite which will substantially enhance the functionalities and capabilities of the existing banking solutions and represent the next generation of banking software. The Group has conducted pre-release road shows to potential customers, which received positive feedback.

The Group's marketing efforts targeting the Islamic Banking and co-operatives in Indonesia and MENA region will continue and the Group remains hopeful of securing projects from this initiative.

The Board of Directors of MSB ("Board") is of the opinion that the financial crisis and economic slowdown has led to financial institutions being more cautious in spending on Information Technology related products. Notwithstanding these challenges, the Board also expects maintenance and enhancement contracts from existing customers will continue. To mitigate the adverse effect of the economic slowdown and the forecasted lower growth, the Group will exercise more prudence in controlling cost 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 December 2008 RM'000	Cumulative 31 December 2008 RM'000
Malaysia Income Tax	(89)	(191)
	(89)	(191)

The effective tax rate for the year 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 year under review.

B6 Quoted securities

There were no acquisitions or disposals of quoted securities during the financial year under review.

B7 Corporate exercise

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.

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.

Utilisation of proceeds

The total gross proceeds arising from the initial listing of the Company of approximately RM7.24 million which were planned to be utilised within 24 months from 23 June 2006 (being the listing date of the Company on Bursa Securities), have been fully utilised in the first quarter of 2008. Apart from the total gross proceeds arising from its listing, the Company has not undertaken any fund-raising corporate exercise.

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 financial year.

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

For the current quarter under review, no dividend has been declared.

The Board of Directors of the Company has at the Board of Directors Meeting today, proposed the payment of tax exempted final dividend, subject to shareholders' approval at the forthcoming annual general meeting of one sen per share in respect of the financial year ended 31 December 2008 amounting 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 2008	Cumulative Quarter 31 December 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)	673	2,309
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	<u>0.53</u>	<u>1.81</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 25 February 2009.

MICROLINK SOLUTIONS BERHAD (620782-P)
25 February 2009