



MICROLINK SOLUTIONS BERHAD (620782-P)
CONDENSED CONSOLIDATED INCOME STATEMENT
For The Fourth Quarter Ended 31 December 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
		31 December 2009 RM'000	31 December 2008 RM'000	31 December 2009 RM'000	31 December 2008 RM'000
Revenue	B1	5,087	3,582	17,193	14,813
Cost of sales		(1,874)	(1,033)	(6,968)	(5,258)
Gross profit		3,213	2,549	10,225	9,555
Other operating income		29	111	241	406
Selling and distribution expenses		(328)	(270)	(1,031)	(1,448)
Administrative expenses		(1,414)	(1,255)	(5,922)	(4,879)
Other operating expenses	B1	(1,311)	(331)	(2,573)	(1,092)
Share of results of jointly controlled entity		-	(41)	(333)	(41)
Profit before tax	B1	189	763	607	2,501
Income tax (expenses) / credit	B4	(365)	(89)	(519)	(191)
Profit after taxation		(176)	674	88	2,310
Attributable to :					
Equity holders of the company		(95)	673	91	2,309
Minority interest		(81)	1	(3)	1
		(176)	674	88	2,310
Earnings per share (sen):					
Basic	B12	(0.07)	0.53	0.07	1.81
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 31 December 2009

	Unaudited as at 31 December 09 RM'000	Audited as at 31 December 08 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,634	1,401
Software development expenditure	13,602	9,037
Interests in a jointly controlled entity	-	333
Goodwill on consolidation	2,818	2,818
Total non-current assets	<u>18,054</u>	<u>13,589</u>
CURRENT ASSETS		
Trade receivables	1,658	3,771
Other receivables, deposits and prepayments	752	1,161
Amount due from contract customers	56	389
Short-term investments	4,922	8,594
Fixed deposits with licensed financial institutions	2,017	2,516
Cash and bank balances	3,592	2,466
Total current assets	<u>12,997</u>	<u>18,897</u>
TOTAL ASSETS	<u>31,051</u>	<u>32,486</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued capital	12,741	12,741
Reserves	15,069	16,147
Shareholders' equity	<u>27,810</u>	<u>28,888</u>
Minority interest	38	1
	<u>27,848</u>	<u>28,889</u>
DEFERRED LIABILITY		
Deferred tax liabilities	282	198
CURRENT LIABILITIES		
Trade payables	966	159
Other payables and accruals	543	754
Deferred maintenance income	1,410	2,486
Tax liabilities	2	-
	<u>2,921</u>	<u>3,399</u>
Total liabilities	3,203	3,597
TOTAL EQUITY AND LIABILITIES	<u>31,051</u>	<u>32,486</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 Fourth Quarter Ended 31 December 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			
12 months ended 31 December 2008								
At 1 January 2008 (audited)	12,741	11,628	3,467	87	-	27,923	-	27,923
Profit for the financial period	-	2,309	-	-	-	2,309	1	2,310
ESOS expenses	-	-	-	70	-	70	-	70
Issue of shares to minority shareholder	-	-	-	-	-	-	-	-
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>
12 months ended 31 December 2009								
At 1 January 2009 (audited)	12,741	12,663	3,467	156	(140)	28,887	1	28,888
Profit for the financial period	-	91	-	-	-	91	(3)	88
Issue of shares to minority shareholder	-	-	-	-	-	-	40	40
ESOS expenses	-	-	-	40	-	40	-	40
Dividend	-	(1,274)	-	-	-	(1,274)	-	(1,274)
Currencies translation differences	-	-	-	-	66	66	-	66
At 31 December 2009	<u>12,741</u>	<u>11,480</u>	<u>3,467</u>	<u>196</u>	<u>(74)</u>	<u>27,810</u>	<u>38</u>	<u>27,848</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 Fourth Quarter Ended 31 December 2009
(The figures have not been audited)



	Current Year 12 months ended 31 December 2009 RM'000	Preceding Year Corresponding period 31 December 2008 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Receipts from customers	17,581	15,330
Payment to suppliers and employees	(13,424)	(11,746)
Payment of income tax expense	4	(167)
Net cash from operating activities	4,161	3,417
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	-	4
Purchase of property, plant and equipment	(672)	(921)
Investment in a jointly controlled entity	-	(374)
Software development expenditure incurred	(5,608)	(3,120)
Grant received	51	-
Interest received	189	385
Net cash used in investing activities	(6,040)	(4,026)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Issue of shares to minority shareholder	40	-
Dividend paid	(1,274)	(1,274)
Net cash used in financing activities	(1,234)	(1,274)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,113)	(1,883)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	13,575	15,607
CURRENCIES TRANSLATION DIFFERENCE	69	(149)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10,531	13,575

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 Fourth Quarter Ended 31 December 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 31 December 2009 RM'000	Cumulative 31 December 2009 RM'000
<u>Segment Revenue</u>		
Malaysia	4,031	14,762
Overseas	1,056	2,431
	<u>5,087</u>	<u>17,193</u>
<u>Segment Gross Profit</u>		
Malaysia	3,032	9,200
Overseas	181	1,025
	<u>3,213</u>	<u>10,225</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 February 2010 (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 2009 RM'000
Cash and bank balances	3,592
Short-term investments	4,922
Fixed deposits with licensed financial institutions *	2,017
	<u>10,531</u>

* Included in fixed deposits with licensed financial institutions is an amount of RM2.02 million pledged to a licensed bank as security for banking facilities totaling RM3.50 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 RM5.09 million and profit before tax of RM0.19 million as compared to a revenue of RM3.58 million and profit before tax of RM0.76 million in the corresponding quarter of the preceding year.

For the financial year ended 31 December 2009, the Group recorded a revenue and profit before tax of RM17.19 million and RM0.61 million respectively. This represents an increase of 16% in revenue compared to the revenue of RM14.81 million recorded in 2008.

In 2009, the Middle East and North Africa region was badly affected by the global financial crisis. In view of this, the Group had taken a prudent step of making provision for doubtful debt amounting to RM1.07 million.

In the first quarter of the financial year under review, the Group had recognised losses incurred by the joint venture company in Kuwait amounting to RM0.33 million, which represents its investment in the company.

The Group established a strategic partnership with a group of Australian experts in the third quarter of 2008, to embark on a comprehensive upgrade of its flagship MiBS banking suite. The project was completed in the second half of 2009 and increased the capitalisation of software development expenditure substantially. The Group carried out an assessment on its software development expenditure and has taken a prudent approach to write off RM0.49 million previously incurred.

Excluding the provisions and write off, the profit before tax for the financial year 2009 would have been comparable to the profit before tax in 2008, which was RM2.50 million.

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

The Group recorded a revenue of RM5.09 million and profit before tax of RM0.19 million in the current quarter ended 31 December 2009 as compared to the preceding quarter's revenue of RM3.84 million and profit before tax of RM0.13 million. The variance in profit before tax was mainly because of higher sales volume in the current quarter under review.

B2 Prospects

The Group has been actively pursuing business opportunities, both locally and overseas, in order to enhance its financial performance. With the launched of the new banking solution, namely OneSolution, the Board anticipates that the Group will achieve better performance for the financial year ending 31 December 2010.

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 31 December 2009 RM'000	Cumulative 31 December 2009 RM'000
Malaysia Income Tax	(365)	(519)
	(365)	(519)

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.

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

B6 Quoted securities

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

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 had issued a bank guarantee amounting to RM0.02 million and the remaining unutilised secured banking facilities of RM3.48 million, denominated in Ringgit Malaysia during the financial period under review.

B9 Off balance sheet financial instruments

A bank guarantee amounting to RM0.02 million has been issued as an utility deposit.

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 31 December 2009	Cumulative Quarter 31 December 2009
Profit attributable to equity holders of the company (RM'000)	(95)	91
No. of ordinary share in issue	127,406,000	127,406,000
Basic earnings per share (sen)	<u>(0.07)</u>	<u>0.07</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 in accordance with a resolution of the directors dated 9 February 2010.