

ISS CONSULTING SOLUTIONS BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPT 2008

	Unaudited As At End of Current Quarter Ended 30.09.2008 RM'000	Audited As At End of Preceding Financial Year Ended 31.12.2007 RM'000
ASSETS		
Non-current assets		
Equipment	2,585	2,138
Software development costs	18,044	18,424
Deferred tax assets	158	176
Goodwill on consolidation	15,779	15,635
	36,566	36,373
Current assets		
Trade receivables	12,913	14,134
Other receivables, deposits and prepayments	4,307	3,867
Tax recoverable	21	21
Short term investments	631	1,000
Cash and bank balances	3,785	7,908
	21,657	26,930
TOTAL ASSETS	58,223	63,303

ISS CONSULTING SOLUTIONS BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET As At 30 SEPT 2008 (CONT'D)

	Unaudited As At End of Current Quarter Ended 30.09.2008 RM'000	Audited As At End of Preceding Financial Year Ended 31.12.2007 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	25,588	25,588
Share premium	15,246	15,246
Exchange fluctuation reserves	1,096	181
Retained profit	8,218	10,763
	50,148	51,778
Minority Interest	193	-
TOTAL EQUITY	50,341	51,778
Non-current liabilities		
Deferred taxation	23	23
Provision for employee entitlements	42	42
Hire purchase payables	93	107
	158	172
Current Liabilities		
Trade payables	2,618	3,992
Other payables and accruals	2,498	2,400
Short Term Borrowings	510	-
Amount owing to directors	424	2,556
Hire purchase payables	317	222
Provision for taxation	1,357	2,183
	7,724	11,353
TOTAL LIABILITIES	7,882	11,525
TOTAL EQUITY AND LIABILITIES	58,223	63,303
Number of ordinary shares of:- RM0.10 each ('000)	255,877	255,877
Net assets per ordinary share (RM)	0.196	0.202

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.)

ISS CONSULTING SOLUTIONS BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPT 2008

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30.09.2008 RM'000 (Unaudited)	Preceding Quarter Ended 30.09.2007 RM'000 (Unaudited)	Current Year To Date 30.09.2008 RM'000 (Unaudited)	Preceding Year To Date 30.09.2007 RM'000 (Unaudited)
Revenue	9,908	10,830	32,798	26,011
Cost of sales	(8,525)	(6,574)	(23,507)	(15,524)
Gross profit	1,383	4,256	9,291	10,487
Other operating income	13	15	13	129
Administrative expenses	1,396	4,271	9,304	10,616
Marketing and distribution cost	(3,598)	(2,513)	(9,350)	(6,965)
Other operating expenses	(51)	(48)	(195)	(104)
Finance costs	(678)	(133)	(1,592)	(336)
	(8)	(14)	(22)	(40)
(Loss) / profit before taxation	(2,939)	1,563	(1,855)	3,171
Taxation	(333)	(832)	(601)	(1,186)
Net (loss) / profit for the period	(3,272)	(731)	(2,456)	1,985
Attributable to:				
Equity holders of the parent	(3,361)	731	(2,545)	1,985
Minority interests	89	-	89	-
Net (loss) / profit for the period	(3,272)	731	(2,456)	1,985
Weighted average number of shares in issue ('000)	255,877	240,388	255,877	225,795
Basic earnings per share (sen)	(1.31)	0.30	(0.99)	0.88
Diluted earnings per share (sen) ^	N/A	N/A	N/A	N/A

Notes:

^ No diluted earnings per share has been computed as the Company has not issued securities that have dilutive effects on the Company's existing shares in issue

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements)

ISS CONSULTING SOLUTIONS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2008

	←----- NON- DISTRIBUTABLE -----→			DISTRIBUTABLE			
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE FLUCTUATION RESERVES RM'000	RETAINED PROFIT RM'000	TOTAL RM'000	MINORITY INTEREST RM'000	Total Equity RM'000
Balance at 1.1.2008	25,588	15,246	181	10,763	51,778	-	51,778
Issue of shares							
Foreign exchange translation difference	-	-	915	-	915	-	915
Loss for the financial period	-	-	-	(2,456)	(2,456)	(89)	(2,545)
Balance at 30.09.2008	25,588	15,246	1,096	8,307	50,237	(89)	50,148

	←----- NON- DISTRIBUTABLE -----→			DISTRIBUTABLE			
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE FLUCTUATION RESERVES RM'000	RETAINED PROFIT RM'000	TOTAL RM'000	MINORITY INTEREST RM'000	Total RM'000
Balance at 1.1.2007	21,837	9,621	26	5,534	37,018	-	37,018
Issue of shares	3,750	5,625	-	-	9,375	-	9,375
Foreign exchange translation difference	-	-	102	-	102	-	102
Profit for the financial period	-	-	-	1,985	1,985	-	1,985
Balance at 30.09.2007	25,587	15,246	128	7,519	48,480	-	48,480

Note:

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

ISS CONSULTING SOLUTIONS BERHAD
CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2008

	Current Year todate 30.09.2008 RM'000	Preceding Year todate 30.09.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(1,855)	3,171
Adjustments for:-		
Allowance for doubtful debts	1,150	-
Amortisation of development costs	1,116	907
Depreciation of equipment	595	318
Gain on sale of equipment	-	-
Interest expense	22	40
Interest income	(13)	(130)
Unrealised loss on foreign exchange	286	-
Unrealised gain on foreign exchange	(27)	-
Operating profit before working capital changes	1,274	4,306
Increase in trade and other receivables	(554)	(1,392)
Increase in trade and other payables	(1,405)	(1,283)
CASH GENERATED FROM OPERATIONS	(685)	1,631
Interest paid	(22)	(40)
Income tax paid	(1,427)	(589)
NET CASH USED IN OPERATING ACTIVITIES	(2,134)	1,002
CASH FLOWS USED IN INVESTING ACTIVITIES		
Development costs incurred	(573)	(3,361)
Purchase of equipment	(968)	(1,595)
Proceeds from disposal of equipment	13	-
Acquisition of subsidiaries, net of cash acquired	10	(2,969)
Interest received	13	130
NET CASH USED IN INVESTING ACTIVITIES	(1,505)	(7,795)
BALANCE CARRIED FORWARD	(3,639)	(6,793)

ISS CONSULTING SOLUTIONS BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 SEPT 2008 (CONT'D)

	Current Year todate 30.09.2008 RM'000	Preceding Year todate 30.09.2007 RM'000
BALANCE BROUGHT FORWARD	(3,639)	(6,793)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to directors	(2,133)	(40)
Drawdown / (Repayment) of hire purchase and lease payables	81	13
Short term borrowings	510	-
NET CASH USED IN FINANCING ACTIVITIES	(1,542)	(27)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,181)	(6,820)
EXCHANGE TRANSLATION DIFFERENCE	689	219
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD / QUARTER	8,908	11,490
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	4,416	4,889

Composition of cash and cash equivalents:

For the purpose of the Cash Flow Statement, cash and cash equivalents as at 30 Sep 2008 comprise the following:

	RM000
Short term investments	631
Cash and bank balances	3,785
	<u>4,416</u>

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements)