

**ISS CONSULTING SOLUTIONS BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET As At 31 DEC 2008**

	<b>Unaudited As At End of Current Quarter Ended 31.12.2008 RM'000</b>	<b>Audited As At End of Preceding Financial Year Ended 31.12.2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Equipment	2,527	2,138
Software development costs	-	18,424
Deferred tax assets	175	176
Goodwill on consolidation	11,322	15,635
	14,024	36,373
<b>Current assets</b>		
Trade receivables	10,347	14,134
Other receivables, deposits and prepayments	1,832	3,867
Tax recoverable	21	21
Short term investments	1,721	1,000
Cash and bank balances	2,614	7,908
	16,535	26,930
<b>TOTAL ASSETS</b>	<b>30,559</b>	<b>63,303</b>

**ISS CONSULTING SOLUTIONS BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET As At 31 DEC 2008 (CONT'D)**

	<b>Unaudited As At End of Current Quarter Ended 31.12.2008 RM'000</b>	<b>Audited As At End of Preceding Financial Year Ended 31.12.2007 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	25,588	25,588
Share premium	15,246	15,246
Exchange fluctuation reserves	1,088	181
Retained profit / (Accumulated losses)	(21,592)	10,763
	20,330	51,778
<b>Minority Interest</b>	237	-
<b>TOTAL EQUITY</b>	20,567	51,778
<b>Non-current liabilities</b>		
Deferred taxation	24	23
Provision for employee entitlements	-	42
Hire purchase payables	108	107
	132	172
<b>Current Liabilities</b>		
Trade payables	2,225	3,992
Other payables and accruals	4,591	2,400
Short Term Borrowings	1,633	-
Amount owing to directors	75	2,556
Hire purchase payables	277	222
Provision for taxation	1,059	2,183
	9,860	11,353
<b>TOTAL LIABILITIES</b>	9,992	11,525
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,559</b>	<b>63,303</b>
Number of ordinary shares of:- RM0.10 each ('000)	255,877	255,877
Net assets per ordinary share (RM)	0.08	0.20

(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 TWELVE MONTHS ENDED 31 DEC 2008**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31.12.2008 RM'000 (Unaudited)	Preceding Quarter Ended 31.12.2007 RM'000 (Unaudited)	Current Year To Date 31.12.2008 RM'000 (Unaudited)	Preceding Year To Date 31.12.2007 RM'000 (Audited)
Revenue	9,366	13,347	42,164	39,068
Cost of sales	(9,016)	(5,444)	(32,523)	(20,385)
Gross profit	350	7,903	9,641	18,683
Other operating income	113	65	126	344
	463	7,968	9,767	19,027
Administrative expenses	(3,853)	(3,898)	(12,725)	(10,454)
Marketing and distribution cost	(34)	(38)	(228)	(160)
Other operating expenses	(420)	(23)	(2,494)	(1,586)
Other non-operating expenses	(25,863)	-	(25,863)	-
Finance costs	(34)	(14)	(57)	(30)
(Loss) / profit before taxation	(29,741)	3,995	(31,596)	6,797
Taxation	(24)	(573)	(625)	(1,567)
Net (loss) / profit for the period	(29,765)	3,422	(32,221)	5,230
Attributable to:				
Equity holders of the parent	(29,810)	3,422	(32,355)	5,230
Minority interests	45	-	134	-
Net (loss) / profit for the period	(29,765)	3,422	(32,221)	5,230
Weighted average number of shares in issue ('000)	255,877	255,877	255,877	233,377
Basic earnings / (loss) per share (sen)	(11.65)	1.34	(12.64)	2.24
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 31 DEC 2008**

	←----- NON- DISTRIBUTABLE -----→			DISTRIBUTABLE	TOTAL RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE FLUCTUATION RESERVES RM'000	RETAINED PROFIT RM'000	
<b>Balance at 1.1.2008</b>	25,588	15,246	181	10,763	51,778
Issue of shares					
Foreign exchange translation difference	-	-	907	-	907
Loss for the financial period	-	-	-	(32,355)	(32,355)
<b>Balance at 31.12.2008</b>	25,588	15,246	1,088	(21,592)	20,330

	←----- NON- DISTRIBUTABLE -----→			DISTRIBUTABLE	TOTAL RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE FLUCTUATION RESERVES RM'000	RETAINED PROFIT RM'000	
<b>Balance at 1.1.2007</b>	21,837	9,621	26	5,534	37,018
Issue of shares	3,750	5,625	-	-	9,375
Foreign exchange translation difference	-	-	155	-	155
Profit for the financial period	-	-	-	5,230	5,230
<b>Balance at 31.12.2007</b>	25,587	15,246	181	10,764	51,778

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 31 DEC 2008**

	<b>Current Year to date 31.12.2008 RM'000</b>	<b>Preceding Year to date 31.12.2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(31,596)	6,797
Adjustments for:-		
Allowance for doubtful debts	1,149	335
Amortisation of development costs	1,489	1,316
Depreciation of equipment	761	508
Software development written off	16,676	-
Goodwill on consolidation written off	4,457	-
Withholding tax written off	682	-
Interest expense	57	30
Interest income	(126)	(152)
Gain on disposal of equipment		(5)
Reversal of provision for employee entitlements	-	(111)
Unrealised loss on foreign exchange	1,677	401
Unrealised gain on foreign exchange	(339)	(124)
Operating profit before working capital changes	(5,113)	8,996
(Increase) / Decrease in trade and other receivables	2,542	(1,565)
Increase / (Decrease) in trade and other payables	438	989
<b>CASH GENERATED FROM OPERATIONS</b>	(2,133)	8,420
Interest paid	(57)	(30)
Income tax paid	(1,750)	(1,191)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(3,940)	7,199
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Development costs incurred	260	(4,778)
Purchase of equipment	(1,119)	(1,359)
Proceeds from disposal of equipment	11	5
Acquisition of subsidiaries, net of cash acquired	10	(6,012)
Interest received	126	152
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(712)	(11,992)
<b>BALANCE CARRIED FORWARD</b>	(4,652)	(4,793)

**ISS CONSULTING SOLUTIONS BERHAD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL QUARTER ENDED 31 DEC 2008 (CONT'D)**

	<b>Current Year todate 31.12.2008 RM'000</b>	<b>Preceding Year todate 31.12.2007 RM'000</b>
BALANCE BROUGHT FORWARD	(4,652)	(4,793)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from directors	-	2,416
Payment to directors	(2,481)	
Drawdown / (Repayment) of hire purchase and lease payables	56	(354)
Short term borrowings	1,634	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(791)</b>	<b>2,062</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,443)</b>	<b>(2,731)</b>
<b>EXCHANGE TRANSLATION DIFFERENCE</b>	<b>870</b>	<b>148</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD / QUARTER</b>	<b>8,908</b>	<b>11,491</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>4,335</b>	<b>8,908</b>

**Composition of cash and cash equivalents:**

For the purpose of the Cash Flow Statement, cash and cash equivalents as at 31 Dec 2008 comprise the following:

	RM000
Short term investments	1,721
Cash and bank balances	2,614
	<u>4,335</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)