

**ISS CONSULTING SOLUTIONS BERHAD (“ISS”)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

**A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS
 (“FRS”) 134**

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 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 the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended (“**FYE**”) 31 December 2008.

The accounting policies and methods of computation adopted by ISS and its subsidiaries (“**Group**”) are consistent with those adopted in the preparation of the financial statements for the FYE 31 December 2008.

These attached explanatory notes 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.

A2. Auditors’ Report

The auditors’ report on the financial statements of the Company for the FYE 31 December 2008 was not subject to any qualification.

A3. Translation of Foreign Currency Financial Statements

For consolidation purposes, all foreign currency monetary assets and liabilities and the financial statements of the Group’s foreign subsidiaries, ISS Consulting (S) Pte Ltd, ISS Consulting (Thailand) Ltd., PT ISS Consulting Indonesia and Ledge Consulting Pte Ltd (“**Ledge Consulting**”) had been translated at the exchange rates ruling at the balance sheet date.

The applicable closing foreign exchange rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of the foreign subsidiaries are as follows:-

Foreign currency	RM
Singapore Dollar (“SGD”)	2.4008
100 Thai Baht	10.266
100 Indonesian Rupiah	0.0315
United States Dollar	3.6470

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134 (cont’d)

A4. Seasonal or Cyclical Factors

The operations of the Group are not affected by any significant seasonal or cyclical factor during the financial quarter under review.

A5. Unusual Items

There were no material items affecting the assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence during the financial quarter under review.

A6. Changes in Estimates

There were no material changes in the nature and amount of estimates reported that have a material effect in the financial quarter under review.

A7. Changes in Debts and Securities

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities for the financial quarter under review.

A8. Dividend Paid

No dividend was paid during the current quarter under review.

A9. Segmental Reporting

The Group is engaged in the provision of project management, consulting and programming services primarily related to mySAP products as well as in sales of its XPress suite of products. The business segments can be broken down as follows:-

(a) Analysis of Revenue by Products and Services for cumulative year-to-date

	Product RM'000	Services RM'000	Total RM'000
Revenue	4,801	8,456	13,257
Cost of sales	(3,359)	(5,413)	(8,772)
Gross profit	<u>1,442</u>	<u>3,043</u>	4,485
Other operating income			<u>41</u>
			4,526
Administrative expenses			(3,356)
Marketing and distribution cost			(11)
Other operating expenses			(601)
Finance costs			(58)
Loss before taxation			<u>500</u>
Taxation			(225)
Loss after taxation for the period			<u>275</u>

Attributable to:	
Equity holders of the parent	326
Minority interest	(51)
Loss after taxation for the period	275
	Total RM'000
Segment assets	
Unallocated assets	38,943
Segment liabilities	
Unallocated liabilities	17,899
Capital expenditure	
Unallocated capital expenditure	21
Depreciation	
Unallocated depreciation	207

Operating expenses incurred by the Group could not be allocated to the individual segment as the expenses were incurred in a pool to generate revenue.

(b) Analysis of Revenue by Geographical Area

Revenue	Cumulative To 31.03.2009 RM'000
Malaysia	2,533
Singapore	6,619
Thailand	2,887
India	393
Indonesia	707
China	118
Japan	-
Korea	-
Others	-
	13,257

	Segment assets RM'000	Segment liabilities RM'000	Capital expenditure RM'000	Depreciation RM'000
Malaysia	20,786	7,851	20	122
Singapore	13,216	8,347	0	61
Thailand	4,197	678	1	21
Indonesia	744	1,023	0	3
	38,943	17,899	21	207

A10. Valuation of Property, Plant and Equipment

There has been no revaluation of property, plant and equipment during the financial quarter.

**A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS
("FRS") 134 (cont'd)**

A11. Significant Events Subsequent To The End of The Financial Quarter

There are no significant events subsequent to the balance sheet date and up to the date of this report.

A12. Changes in the Composition of The Group

There were no changes in the composition of the Group during the current financial quarter.

A13. Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last financial year as at 31 December 2007.

A14. Capital Commitments

There were no material capital commitments of the Group at the date of this report.

A15. Significant Related Party Transactions

There were no significant related party transactions during the current quarter under review.

ISS CONSULTING SOLUTIONS BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009 (cont'd)

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA SECURITIES FOR THE MESDAQ MARKET**

B1. Review of Performance

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31.03.09 RM'000	Preceding year corresponding quarter 31.03.08 RM'000	Current year to date 31.03.09 RM'000	Preceding year corresponding Quarter to date 31.03.08 RM'000
Revenue	<u>13,257</u>	<u>9,975</u>	<u>13,257</u>	<u>9,975</u>
Profit before tax	<u>500</u>	<u>507</u>	<u>500</u>	<u>507</u>
Profit before tax margin (% of revenue)	<u>3.8%</u>	<u>5%</u>	<u>3.8%</u>	<u>5%</u>

For the current financial quarter under review, the Group reported revenue of approximately RM13.26 million. This represents an increase of RM3.28 million or 33% in revenue, compared to the corresponding previous quarter. The increase in revenue is mainly attributable to revenue generated from contracts secured in the foreign subsidiaries.

The higher profit before tax margin in the corresponding previous quarter is due to one-off non-recurring help desk support revenue.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET (cont'd)

B2. Material Changes In The Quarterly Results Compared To The Results of The Immediate Preceding Quarter

	Current Quarter	Immediate Preceding
	31.03.09	Quarter
	RM'000	31.12.08
	RM'000	RM'000
Revenue	<u>13,257</u>	<u>9,366</u>
Profit /(Loss) before tax	<u>500</u>	<u>(29,741)</u>
Less:		
a) Provision for impairment /Amortisation of software development	-	17,267
b) Write down of goodwill	-	5,274
Profit/(Loss) from operations	<u>500</u>	<u>(7,200)</u>

Revenue increased by approximately RM3.89 million or 42% in the current quarter compared to the immediate preceding quarter.

The improvement in revenue and profitability is due mainly to contribution from the foreign project , in particular the Singapore Pools Pte Ltd project which is undertaken by Ledge Consulting Pte Ltd.

B3. Prospects For The Financial Year Ending 31 December 2009

The Group views the current economic situation will continue to be volatile and uncertain in the remainder of the year. In this respect, the Group will continue to monitor the situation and take measures, whenever necessary, to reduce costs.

The Group expects challenging times in the second half year as customers across all segments of industries are already seen to be deferring decisions on investments in capital expenditure, in particular Information Technology expenditure.

B4. Profit Forecast Or Profit Guarantee

No profit forecast or profit guarantee was published.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET (cont'd)

B5. Taxation

The current quarter tax expenses relate to foreign tax arising from its foreign subsidiaries in Thailand and Singapore which are not allowed to be off-set against losses from other subsidiaries.

B6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the financial quarter under review.

B7. Quoted Securities

There was no purchase or disposal of quoted securities during the financial quarter under review.

B8. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B9. Status of Utilisation of Proceeds

The proceeds from the initial public offering of ISS were fully utilized as of 31 July 2008.

There was no corporate proposal undertaken to raise any proceeds during the current quarter.

B10. Group's Borrowings and Debt Securities

The Group's borrowings at the end of the financial quarter are as follows:-

Secured	Repayable within 12 months RM'000	Repayable later than 12 months RM'000
Denominated in RM	193	108
Denominated in SGD	10	-
Hire purchase and lease payables	203	108
Short term borrowings from financial institutions	3,445	-

As at the date of this report, the Group has not issued any debt securities.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET (cont'd)

B11. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk at the date of this report.

B12. Material Litigations

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group at the date of this report.

B13. Dividends Payable

No dividend has been declared during the financial quarter under review.

B14. Earnings Per Share

The earnings per share were calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares of RM0.10 each during the reporting period as follows:-

	Current Quarter Ended		Cumulative Quarter Ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
(Loss) / Profit attributable to shareholders (RM'000)	326	405	326	405
Weighted average number of ordinary shares of RM0.10 each for computing earnings per share :				
- Basic ('000)	255,877	255,877	255,877	255,877
- Diluted ('000)	N/A	N/A	N/A	N/A
Basic earnings per share (sen)	0.13	0.16	0.13	0.16
Diluted earnings per share (sen) ^	N/A	N/A	N/A	N/A

Note:

^ - 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

B15. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution by the Board of Directors duly passed.

By order of the Board
ISS CONSULTING SOLUTIONS BERHAD

Mah Li Chen (MAICSA 7022751)
Company Secretary
Dated this 18 May 2009